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FROM MORGENTHAU DIARY _ Book 831

MEMORANDUM FOR THE FILES

Subject: Conversation in Switzerland with Mr. McKittrick,
President of the Bank for International Settlements.

Mr. McKittrick called to see Mr. Currie while we were in Switzerland during the recent negotiations and upon learning that I, a representative of the Treasury Department, was a member of the delegation, asked to talk with me. *

It was clear that Mr. McKittrick was fully aware of the manner in which he and the BIS are regarded by the Treasury Department. He expressed the hope, however, that if persons in the Treasury Department understood the real role that he and the BIS had played, this attitude might change. *

Mr. McKittrick began by explaining to me the origin of the BIS and the role that it had played in the prewar world. He pointed out that the Board of Directors consisted entirely of central bankers and he said that the BIS had become, to use his own words, "a sort of club" of the central bankers of the world. Every year the BIS had invited the central bankers to a dinner in Basle and in this and other ways had served to bring together the central bankers and to fuse them into a little group of like-minded men who understood and trusted one another. McKittrick emphasized particularly the attitude of mutual trust and confidence that had grown up among this group and the realization held by all of them of the importance to the group of faith in each other and of a conduct on the part of each that would warrant this faith regardless of the condition of the world or of the constantly changing political relations between their respective countries.

McKittrick stated that only by understanding this basic relationship could one understand how the BIS had been able to survive during this war and to conduct its affairs in the manner in which he had arranged them. He then explained that at the outbreak of the war he had personally contacted all of the Board members of the BIS, which, of course, included representatives of countries on both sides in the war,

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and had gotten from them a vote of confidence in himself and agreement that the BIS would be strictly neutral. The limited operations of the bank which were necessary consisted of collecting amounts owed by various debtor countries and the distribution of earnings on its capital. These operations and any other necessary business were to continue by having the necessary papers prepared at Basle and then cleared by McKittrick personally with each of the necessary officials of the bank. In this manner the bank has continued to operate during the past five years, and McKittrick emphasized that in no case had there been any disagreement with any of the operations carried on and he had never been under any duress or pressure from any of the belligerent countries which were members of the bank. McKittrick cited as an instance of the effectiveness of his own influence an attempt by the Germans to replace a Belgian member of the Board of Directors after the German occupation of Belgium. McKittrick stated that he refused to permit the change and, accordingly, the original member continued to occupy the position.

McKittrick had some figures showing the amounts of payments made to the BIS during the course of the year as compared to the amounts distributed, and contended that the Germans had paid, in Swiss francs, more to the BIS than they had received from the BIS. (As I recall, the amount so paid was 4,000,000 Swiss francs or about \$1,000,000.) McKittrick thus contended that the BIS had weakened the Swiss franc position of the Germans by depriving them of much foreign exchange.

I asked McKittrick why, in his opinion, the Germans had been willing to allow the BIS to be run in the manner which he had described and had continued to make payments to the BIS. I made the observation that they must have felt that, for some reason or other, such action was in their own interest. McKittrick's explanation was substantially as follows: In order to understand the conduct of the Germans toward the BIS, one must first understand the strength of the confidence and trust that the central bankers had had in each other and the strength of their determination to play the game squarely. Secondly, one must realize that in the complicated German financial set-up certain men who have this central bankers' point of view are in very strategic positions and can influence the conduct of the German Government with respect to these matters. According to McKittrick, there is a little group in Germany who do not

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share the Nazi sympathies or Nazi point of view but who are so important to the Nazis and to the management of Germany's finances because of their technical ability that they continue to hold important positions. The existence of this little group is the keystone in the explanation of Germany's conduct with respect to the BIS.

According to McKittrick, there were probably three factors influencing this little group in its conduct toward the BIS. The first was the influence arising from their membership in this "bankers' club" and their implicit feeling of the importance of dealing squarely with other bankers. The second was the fact that this group had felt from the beginning that Germany would lose the war; that after defeat there would be a period of political, economic, and financial confusion in Germany; and that by playing the game squarely they might in this period of confusion emerge as a factor in shaping Germany's future destiny. Thirdly, in addition to the foregoing considerations, this group understood that in order to rehabilitate and reconstruct Germany after defeat it would be necessary that Germany be able to float loans. This little group of bankers felt that the role that they were playing would maintain their contacts and trust with other important banking elements so that they would be in a stronger position in the postwar period to negotiate loans for reconstruction of Germany.

I asked McKittrick whether he would name any of the people who compose the little group to which he constantly referred. The only person whom he named is a man named Puhl, who is one of the two top vice presidents of the Reichsbank. McKittrick explained that although Funk had been made head of the Reichsbank, he knew nothing about financial matters and is only the titular head. Under Funk are two top vice presidents, one of whom is a Nazi appointee who likewise understands nothing about the operations of the bank and only looks after matters of interest to the Party. The real operating head of the bank is Puhl, the other vice president. Puhl was described by McKittrick as a career banker who had been with the Reichsbank for some twenty years, who does not share the Nazi point of view, and who is the key person in explaining Germany's attitude toward the BIS. (I might also point out that in discussions with the Swiss National Bank concerning their purchase

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of gold from Germany, the Swiss National Bank said that in order to be sure they were not obtaining looted gold they had requested a member of the Reichsbank, whom they regarded to be trustworthy, to certify that each parcel of gold which they purchased had not been looted. The person who had done this certifying was Puhl.)

*See
Pohl's
Inventory
Trials*

During the course of the conversation, I mentioned the gold which the Germans had looted from occupied countries and, at one point, asked McKittrick directly whether he knew what had happened to the gold which the Belgians had had on deposit with the Bank of France and which had been taken by the Germans. McKittrick replied that he knew where it was, that he would tell me, but that it was of extreme importance that word did not leak out. McKittrick then explained that this gold was still held in the vaults of the Reichsbank; that he was sure it would be there when we took Berlin; and that Puhl was holding it there for return to the Belgians after the war.

*See
McKittrick
Today when
8/16/97*

McKittrick explained that the BIS had also received payments in gold from the Germans during the war and that when the war was over we would find all such gold carefully segregated and documented so that any of it which may have been looted could be readily identified. He said that when gold was offered to the BIS he had thought that it would be better to take the gold and hold it in this fashion rather than to refuse it and let the Germans keep it for other uses.

McKittrick also cited as an instance of the manner in which bankers had kept their word with the BIS, a transaction in which a substantial amount of gold was moved from northern Italy to Switzerland to pay off Italy's debt to the BIS. According to McKittrick, this gold had sometime earlier been pledged to pay off the Italian debt to the BIS. At the time of the collapse of the Mussolini regime, the BIS sent specially to Italy one of its own men, who in cooperation with the Italian Central Bank, succeeded in getting the gold to Switzerland, where it was used to pay off the BIS and the Swiss National Bank. According to McKittrick, this transfer had been made without the knowledge of the Germans, who probably would have stopped it had they been able to do so.

In closing, McKittrick volunteered to answer any other questions I might think of during the course of my stay

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in Switzerland and expressed the regret that he could not invite me to come to Basle and take a look at the books and records of that institution. He stated that as soon as the war was over, however, he intended to throw open the books and records to representatives of the United Nations, and he felt sure that they would appreciate and approve of the role that he and the BIS had played during the war.

*see Higham
books never
found*

Orvis A. Schmidt
Orvis A. Schmidt

TERMINAL REPORT

✓
OFFICE OF ALIEN PROPERTY CUSTODIAN

October 1946

Washington, D. C.

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Letter of Transmittal

Washington, D. C.
October 14, 1946

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

My dear Mr. President:

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

Respectfully,

James E. Markham
Alien Property Custodian

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PART ONE

BACKGROUND AND SUMMARY

This part of the Report provides a brief resume of the broader and more important aspects of the activities of the Office of Alien Property Custodian. Chapter I presents a short account of the development of the basic programs of the Office since its establishment in March 1942. Chapter II describes the present status of the Office's work and the principal problems to be met.

I

DEVELOPMENT OF THE OFFICE'S PROGRAMS

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

Original Functions

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

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

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

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

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

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

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

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

Changes in Objectives

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

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

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

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

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

Developments after Termination of Hostilities

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

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

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

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

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

II

CURRENT WORK AND PROBLEMS

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

Vesting and InvestigationsVesting Policy

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

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

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

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

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

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

Present Status of the Vesting Program

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

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

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

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

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

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

Investigation

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

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

Administration, Liquidation, and Sales

Business Enterprises

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

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

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

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

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

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

Patents, Copyrights and Trade-marks

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

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

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

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

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

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

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

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

Other Property in the United States

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

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

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

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

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

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

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

Philippine Property

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

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

Ultimate Disposition of Property and Proceeds

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

Title Claims

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

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

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

Debt Claims

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

Suits under the Trading with the Enemy Act

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

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

Ultimate Disposition of Property Not Returnable

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

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

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

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

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

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

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

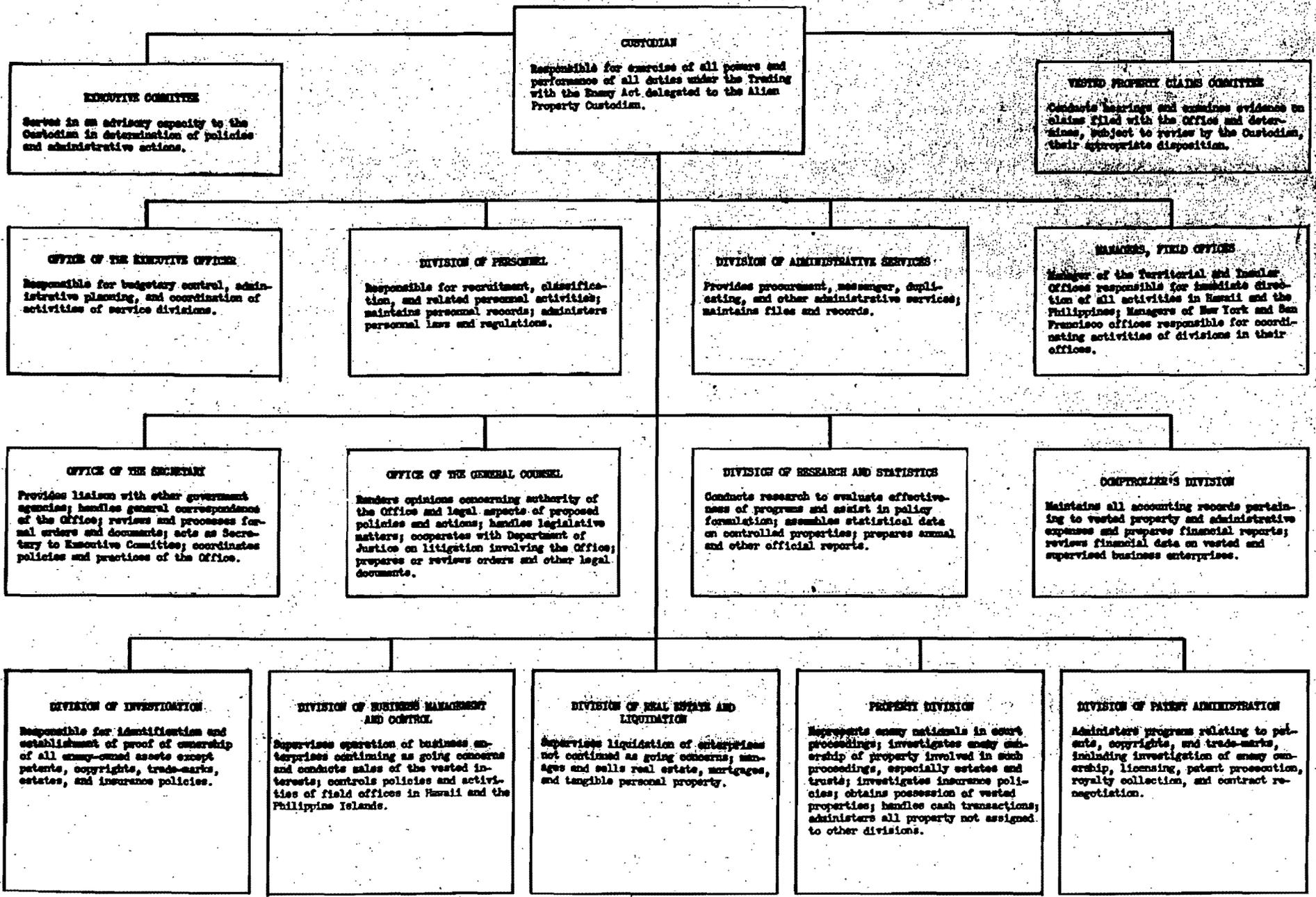
PART TWO

REPORTS OF THE DIVISIONS

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

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

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



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III

DIVISION OF INVESTIGATION

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

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

Investigations of Unvested PropertyScope of Investigations

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

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

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

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

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

Necessity of Early Completion of Vesting Program

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

Business Enterprises

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

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

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

Personal Property

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

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

Real Property

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

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

Undisclosed Property

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

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

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

Hawaiian and Philippine Cases

The investigation of enemy interests in property in the Philippine and Hawaiian Islands is undertaken by the overseas offices of this agency on their own initiative, but the investigation reports they prepare are reviewed by the Division of Investigation in Washington. The purposes of this review are to determine the adequacy of the evidence obtained, to recommend the action to be taken by the Custodian, and to prepare the vesting orders. In Hawaii only a few business enterprises remain to be investigated, but there are approximately 800 APC-56 reports, covering all types of vestible real and personal property, which require processing. There remain for investigation approximately 1,500 cases in the Philippines, of which an estimated 1,000 will require review in Washington.

Post-Vesting Investigations

The Division is required to conduct an increasing number of post-vesting investigations. Many of these investigations are required because of the filing of title and debt claims with the Office and the initiation of suits against the Custodian. Other investigations are required in connection with sales and liquidations of vested properties.

Title Claims

An increasing number of title claims will be received by the Office as a result of Public Law 322, dated March 8, 1946, which permits the Custodian to return property to nonhostile foreign nationals.

Title claims filed with the Office are of two kinds: (1) "uncontested", where the Office does not question the claimant's ownership and "nonenemy" status, and (2) "contested", where the Office disputes the claimant's allegation of a title interest or of "nonenemy" status. It is presently planned that the Division of Investigation will make the initial examination of all title claims except those involving patents, trade-marks, and copyrights. The Division will recommend to the General Counsel whether claims should be contested on the basis of an examination of the agency's files, consultation with other Government agencies, and certifications received from foreign governments on the status of claimants. If it appears that the claim should be contested, the Division will undertake a complete investigation within the United States and possibly abroad to marshal evidence to substantiate the position that the claimant is not the true owner or should be regarded as an enemy.

Debt Claims

As a result of Public Law 671, dated August 8, 1946, the Custodian may now pay out of vested property the debt claims of certain classes of persons against the former enemy owner of the property. Questions will arise as to the amount and validity of a debt and as to the ownership by the alleged enemy debtor of the property vested in his name. Such questions will probably be referred to this Division for investigation.

Prospective and Pending Litigation

The Division has cooperated closely with the Alien Property Section of the Department of Justice by conducting investigations required in the defense of suits against the Custodian. In addition, the Division makes re-investigations, usually in Germany, of important vested cases, especially such business enterprises as General Aniline & Film Corporation, where litigation is expected but has not yet been instituted.

Sales and Liquidation

The Division also makes investigations immediately prior to the sale of vested property or the distribution by vested enterprises of the proceeds of liquidation. Pre-sale investigations of vested enterprises are made to insure that all enemy interests have been eliminated and that all testimony and documentary evidence on ownership or control has been obtained from the firm and those associated with it. The Division also conducts investigations to determine whether prospective purchasers are qualified to purchase vested property. Before the distribution of assets of vested companies in liquidation a final check must be made to insure that distributees whose holdings are not vested are the beneficial owners of their interests.

Foreign Investigations

Early in April 1946 the Division of Investigation established a staff in Berlin, Germany. This staff is formally attached to the Office of Military Government for Germany (U. S.) as the Alien Property Custodian Section of the External Assets Branch of the Finance Division, but carries on its activities autonomously on the basis of instructions received from the Washington Office. The high degree of cooperation which has developed between the Alien Property Custodian Section and other sections of the External Assets Branch engaged in similar work has been of great value in finding and utilizing evidence of German ownership of property in the United States. The staff is now limited by OMGUS to ten, composed of six attorneys and investigators, two translators, and two

stenographers. German civilians have been assigned to the Section by the Finance Division for typing and translating. Currently, the Office is requesting the War Department to authorize an increase in the personnel ceiling to twenty.

Depending on the type of case, investigations in Germany involve finding and examining files and financial records of the German person or firm suspected of being the owner of property in the United States, locating and interrogating company officials and other persons who may be informed on the case, and searching the files of bureaus of the German Government, churches, and local governments. Emphasis is placed upon obtaining documentary evidence in such form that it will be admissible in American courts; wherever possible, signed statements are obtained from German witnesses.

Investigations with respect to unvested property are necessary when evidence available in the United States does not permit final determination of the beneficial ownership of the property. With respect to vested properties, particularly patents and business enterprises, they are required to obtain additional evidence for use in prospective litigation, particularly where the nominal owner of the property is not a resident of Germany and is believed to be a cloak. Such investigations are made prior to the filing of a suit in order to take advantage of the present availability of witnesses and documents in anticipation of future freedom of communication between the suspected German owner and the probable plaintiff against the Custodian.

The Berlin Office of the Division conducts investigations for the Division of Patent Administration and for the Estates and Trusts Section of the Property Division. Investigations with respect to estates and trusts are made to determine whether a legatee or beneficiary is alive or dead and to obtain information about his heirs, relatives, and family genealogy.

In addition, the foreign staff of the Division procures all information regarding enemy assets in the United States which comes to its attention through the work of the Military Governments of the four occupying powers. This information includes censorship intercepts, MGAX-1 reports, and analysis of leads found in German Government records.

It is estimated that the following investigations on property in the United States will have to be made in Germany:

<u>Type of property</u>	<u>Number of investigations</u>
Unvested business enterprises ...	40
Unvested real and personal property	100
Prospective litigation, chiefly business enterprises	50
Estates and trusts	400
Patents	<u>35</u>
Total	625

As yet the Office has no personnel in Japan or in nonenemy European countries. The need for at least one investigator in Japan is daily becoming more evident. There is also a substantial amount of investigative work that could best be done in Switzerland and the Netherlands by an experienced representative of the Division.

IV

DIVISION OF REAL ESTATE AND LIQUIDATION

The Division of Real Estate and Liquidation is assigned the responsibility of supervising the liquidation of vested business enterprises not continued in operation as going concerns, and the additional responsibility of managing and selling real estate, mortgages, and tangible personal property. It operates through two sections: a Real Estate Section located in Washington and a Liquidation Section located in New York.

Real Estate SectionActivities

The Real Estate Section is responsible for the management and sale of all vested real properties and for the servicing and sale of all vested mortgages. In addition, it supervises and liquidates vested real estate holding companies.

Immediately after a case is assigned to the Section, certified copies of the vesting order are served on all interested parties and recorded in the county where the property is located. A managing agent is appointed to collect rents, obtain statements of unpaid taxes, and keep all insurance policies in force. A fee appraisal is ordered to determine the value of the properties which are to be offered for immediate sale. Notices of sale are prepared for publication in newspapers having a general circulation in the area where the property is located. After bids are opened and analyzed, a recommendation is made to the Custodian regarding the acceptability of the best offer received.

The administration of real estate which cannot be disposed of by immediate sale requires close supervision to insure that maximum income is received, that property is maintained so as to protect it from excessive deterioration, that taxes are paid as they become due, and, in the case of improved properties, that adequate insurance is maintained in force. The activities with respect to taxes and insurance are added functions arising from Public Law 671 of August 8, 1946.

The servicing of mortgages that cannot be disposed of by immediate sale requires close supervision to insure that interest and principal payments are received in accordance with the contract, that taxes are paid currently by the mortgagor, and that the mortgaged property is covered by insurance in an amount sufficient to pay the obligation in the event of loss or damage to the property. Where mortgage payments are not maintained by the obligor in accordance with the contract, foreclosure is recommended and request made that a receiver be appointed.

When a realty enterprise is vested, a complete study is made of the business with particular attention to an evaluation of existing management and financial policies. Corrective actions are instituted if necessary and recommendations are made in connection with matters requiring decision on policy or procedure. It is often desirable to name as members of the Board of Directors of realty companies employees of the Real Estate Section who have been assigned to supervise them. Action is also taken to obtain from each business adequate periodic reports to keep the Custodian fully informed of its activities.

Status of Assignments as of September 1, 1946

As of September 1, 1946, 1,481 properties had been assigned to the Real Estate Section, of which 730 properties had been sold or otherwise liquidated, leaving a total of 751 properties to be administered by the Section. These 751 unsold properties are classified as to their status on Table 1.

Of the 751 properties shown in Table 1, only 407, consisting of properties in the first six groups, are salable at this time. The 54 items in group (1) have already been advertised for sale, but insufficient offers for them were received. Over half the remaining salable cases are now being processed for sale.

The 344 cases considered not salable at present consist of properties shown on the table in groups (7) to (12). With respect to the parcels located in California, classified in group (9), it is expected that sales will be accelerated during the next few months. One of the major title companies in California has recently indicated a willingness to insure titles to properties conveyed by the Custodian. The final outcome of several sales now in process should determine what may be expected in future sales in that state.

During the eight-month period ending August 31, 1946, new properties were assigned to the Section at the rate of approximately 50 parcels per month, and it is estimated that new assignments during the twenty-two months period ending June 30, 1948, will average approximately 45 per month. These new cases will arise mainly through new vestings but also through distribution of properties to the Custodian from estates and trusts in which interests have been vested.

Table 1.--Status of Properties Assigned to the Real Estate Section on September 1, 1946

Status	Total	Number of Properties				
		Real Estate			Mis-	Mort-
		Im- proved	Unim- proved	Farm	cel- lane- ous <u>1/</u>	gages
Total	751	346	132	22	39	212
<u>Salable Properties:</u>						
1. Advertised, insufficient offers received.	54	11	28	1	2	12
2. In process, advertisements released to agents	10	10	-	-	-	-
3. In process, advertisements not released to agents, United States (except California, Hawaiian, and Italian cases)	166	143	19	-	4	-
4. Advertisements approved on California cases	9	6	1	1	1	-
5. Hawaiian cases	27	7	8	-	10	2
6. Other salable mortgages	141	-	-	-	-	141
<u>Properties Withheld from Sale:</u>						
7. Mortgage participation certificates (almost completely liquidated)	25	-	-	-	-	25
8. Mortgage foreclosures requested	7	-	-	-	-	7
9. Other California cases (except Italian) <u>2/</u> ..	141	63	42	15	17	4
10. Italian properties <u>3/</u> ..	107	70	17	1	1	18
11. Not to be sold, except Italian cases <u>4/</u>	21	16	3	1	1	-
12. Legal and title defects <u>5/</u>	43	20	14	3	3	3

1/ Principally tangible personal property connected with vested real estate.

2/ Unsalable heretofore because of refusals by California title companies to insure the Custodian's titles.

3/ Withheld from sale at request of the Department of State.

4/ Withheld from sale because of possible eligibility of former owners for a return, or for other policy reasons.

5/ Cases involving Section 9(a) suits, defective vestings, etc.

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Liquidation Section

Functions and Organization

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

Classes of Property Handled by the Section

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

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

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

Liquidation Procedure

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

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

Status of Liquidations

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

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

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

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

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

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

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

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

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

V

DIVISION OF BUSINESS MANAGEMENT AND CONTROL

The Division of Business Management and Control is composed of an Operations and Prospectus Section, a New York Staff, and a Territorial and Insular Section.

The Operations and Prospectus Section administers certain classes of vested business enterprises, particularly going concerns, and effects the sale of the vested interests. This Section is also responsible for the administration of property of all types against which suits have been instituted under Section 9 of the Trading with the Enemy Act, as amended.

The New York staff, subject to review by the Operations and Prospectus Section, directly supervises business enterprises controlled by the Custodian which, because of location or other reasons, require immediate supervision from New York. In addition, the New York staff sells miscellaneous stocks and bonds held by the Office.

The Territorial and Insular Section performs duties relating to the activities of the Hawaiian and Philippine Offices. The activities of this Section are discussed in the next chapter in connection with the two overseas offices.

Business Enterprises

The Division had under its control, as of October 1, 1946, a total of 77 business enterprises. These enterprises consist largely of going concerns and partly of companies whose liquidation presents special management problems.

Administration

The aims of the Office in continuing vested business enterprises as going concerns are to free them completely from ties of enemy control, to secure the maximum efficiency of operation, and to prepare them for sale to American private interests.

When the Custodian has vested a controlling interest in a corporation operated as a going concern, he has usually nominated one or more directors, depending on the extent of the interest vested and the suitability of the incumbent directors. To free the corporation from enemy connections it has sometimes been necessary to elect an entire new board of directors and appoint a new management.

The Division issues licenses authorizing the corporation to perform transactions necessary to the normal conduct of business. Company budgets must receive prior authorization, and unusual transactions such as sales to foreign purchasers, the disposal of a substantial part of the company's assets, and the issuance of additional capital stock must also be approved in advance.

Periodic reports by independent auditors and interim reports from the management are required by the Division of each company.

Disposition

The Office of Alien Property Custodian has pursued a policy of disposing of all enterprises under its control as rapidly as possible. Nevertheless, no offers for sale of business enterprises are now outstanding and only a few companies will be ready for sale this fall. Enterprises remaining to be disposed of may be grouped in one or more of the following six classes.

1. ENTERPRISES INVOLVED IN SECTION 9 SUITS.--Suits under Section 9 of the Trading with the Enemy Act, as amended, have been instituted by persons seeking the return of the vested interests in 25 business enterprises. Pending the outcome of this litigation or the entry of stipulations permitting sale or liquidation, these enterprises can neither be sold nor liquidated. In eight other enterprise cases any action taken toward sale or liquidation would result in the immediate institution of Section 9 suits. An example of such threatened litigation relates to the claim filed in 1943 by I. G. Chemie of Switzerland for the return of approximately 2,500,000 shares of stock of General Aniline and Film Corporation. Attorneys of I. G. Chemie have informed the Office that if any attempt is made to sell this stock, a Section 9 suit will be filed.

2. ENTERPRISES FORMERLY OWNED BY ITALIANS OR NON-ENEMIES.--Pursuant to a request of the Department of State, 15 enterprises vested from nationals of Italy, Luxemburg, and Austria are being administered without any action toward sale or liquidation. Ultimate disposition of the Italian companies depends largely upon the treatment that will be accorded Italy in the treaty of peace. The nationals of Luxemburg and Austria are presumably now entitled to a return of their property under Public Law 322.

3. ENTERPRISES NEARLY LIQUIDATED.--Ten enterprises which were controlled by this Division because of special management problems have been substantially liquidated through corporate action. It is expected that their affairs may be wound up in the near future.

4. ENTERPRISES INVOLVING PROBLEMS OF PATENT POLICY.--

Before certain concerns can be sold or liquidated their patent policy must be revised to conform to the program adopted by the Executive Committee on Economic Foreign Policy and approved by the President, which required that technologies covered by patents of corporations owned or controlled by the Government be made available to the public. Possibly three enterprises can be sold as soon as this is accomplished. The largest of these is American Bosch Corporation, which has been requested to adopt a policy of licensing all its patents on a nonexclusive reasonable royalty basis to all comers. Another of these companies is J. M. Lehman Co., on which a prospectus has already been prepared.

5. ENTERPRISES HAVING PROPERTIES IN FOREIGN COUNTRIES.--

The assets of several vested firms consist almost entirely of properties located in foreign countries, or securities of foreign corporations, which can be neither appraised nor sold at this time. Hugo Stinnes Corporation, a holding company whose principal underlying assets are German subsidiaries engaged in coal mining, is the principal enterprise of this class.

6. ENTERPRISES PRESENTING OTHER PROBLEMS.--In the case of other concerns still being operated by the Custodian various investigatory, legal, and business problems exist which must be solved before an offering is made or a liquidation effected. An example is Thorer and Hollender, Inc., a new investigation of which has just been completed with the result that previously vested preferred stock is to be converted into common stock.

Other Properties

Miscellaneous Properties Involved in Section 9 Proceedings

In addition to the Section 9 suits referred to above on business enterprises, 25 other such suits have been brought for the return of real estate and miscellaneous properties and of the proceeds from the sale or liquidation of property.

In all cases where property would be sold or liquidated except for the institution of such proceedings, attempts are made to obtain stipulations permitting sale or liquidation, whichever may be the more desirable.

While, of course, no accurate estimate can be made as to the number of Section 9 suits to be filed, it is to be expected that as the activities of the Vested Property Claims Committee are accelerated through the new claims procedure, denials of claims by the Committee will result in numerous suits.

Sale of Loose Securities

The New York staff of the Division effects the sale of loose securities (i.e., those not representing substantial interests in business enterprises) directly vested by the Custodian or acquired from distributions of assets by business enterprises and estates and trusts in which interests have been vested. There were 201 such sales, realizing proceeds of \$609,000 during the fiscal year ending June 30, 1946. It is estimated that there will be 1600 similar transactions during the present fiscal year, and 1900 transactions in the following year, with proportionate increases in dollar value realized.

Most of the sales made to date have been effected on established securities exchanges and over-the-counter markets. No regular market exists for many of the securities not yet sold. These securities are largely issues of companies not known to the investment public and range in value from a few dollars to around \$100,000. It will be difficult to attract interest in these issues and to judge the adequacy of bids.

VI

HAWAIIAN AND PHILIPPINE OFFICES

The Hawaiian and Philippine offices are under the immediate supervision of the Manager of the Territorial and Insular Offices, who divides his time between Honolulu and Manila. Acting Managers in these cities assume most of his functions during his absence.

The Hawaiian and Philippine offices investigate enemy property within their respective areas, administer vested property, and conduct sales and liquidations. They also provide their own administrative services and maintain books and records on vested properties under their control. The Manager of the Territorial and Insular Offices reports directly to the Chief of the Division of Business Management and Control in Washington, to whom all important policy and administrative questions are submitted. The Territorial and Insular Section of the Division prepares prospectuses for sales of business enterprises in Hawaii and the Philippines and deals with problems involved in selling other vested properties except Hawaiian real estate. 1/ The Territorial and Insular Section also handles personnel procurement and other administrative matters for the two offices which require action in Washington.

Hawaiian Office

As of September 1, 1946, the Hawaiian Office had assigned to it a total of 61 cases. 2/ Thirty-nine cases involved business enterprises; the remaining 22 involved personal property.

Of the 39 enterprises 17 are substantially liquidated, 11 in liquidation, four advertised for sale, six to be offered for sale when legal and business problems are resolved, and one subject to a Section 9 suit. 3/ Plans for disposition of business enterprises through sale or liquidation are expected to cut down the number of such cases to 15 by June 30, 1948. This estimate makes allowance for new cases expected to come under the administration of the Office.

1/ Hawaiian real estate is handled by the Real Estate Section of the Division of Real Estate and Liquidation.

2/ This figure does not include banks and insurance companies, which are discussed in Chapter X, "Office of the General Counsel," nor does it include cases involving real property, which are discussed in Chapter IV, "Division of Real Estate and Liquidation."

3/ Since September 1, 1946, bids have been received and awards are being made for the sale of the vested stock in three enterprises.

VII

DIVISION OF PATENT ADMINISTRATION

The primary objective of the Division of Patent Administration is set forth in a directive from President Roosevelt to the Alien Property Custodian when the Office was established. This directive was: "to seize all patents controlled by the enemy, regardless of nominal ownership, and to make these patents freely available to American industry, first for war purposes of the United Nations, and second for general use in the national interests."

In addition to patents and interests in patent agreements, the Division deals with other types of industrial property, particularly copyrights and trade-marks. The Division also supervises certain vested corporations primarily engaged in the exploitation of patents, copyrights, and trade-marks.

During the period of hostilities the policy of the Office was to vest industrial property of nationals of both enemy and enemy-occupied countries. The vesting of nonenemy industrial property was discontinued in September 1944 in anticipation of early cessation of hostilities in Europe. The vesting of Italian industrial property was discontinued about the same time.

PatentsInvestigation

Approximately 46,000 patents and patent applications and over 1,000 interests in contracts relating to patents are now vested in the Custodian.

While most patents and patent interests were presumably vested on the basis of investigations carried out in the United States during the war, interviews with persons and examination of documents in Europe are necessary to insure that all valuable industrial property of enemy nationals is vested. As early as 1935, the Germans began a course of cloaking operations designed to conceal their interests in United States patents. It is believed that evidence available in Europe will enable much of this property to be identified.

Recommendations for vesting of patents, patent applications, and interests in patent contracts originate in the Foreign Interest Analysis Section of this Division.

Licensing

It has been the constant objective of the Office of Alien Property Custodian to bring into use by industry as quickly as possible the inventions and processes covered by vested patents and patent applications. The purposes have been to give all possible aid in prosecuting the war, to assist in building up our national productive capacity, and to facilitate the fullest use of modern techniques in the post-war economy.

To this end, a nonexclusive, royalty-free licensing policy was adopted for enemy patents and patent applications not encumbered by American or nonenemy interests. Licenses on these patents are granted on application to the Licensing Section of the Division; they are available to large and small companies and to individuals alike on the payment of an administrative fee of \$15 per patent. Licenses have also been granted on patents vested from enemy-occupied nationals, but reasonable royalties have been charged.

To date 2,006 licenses have been issued under 11,208 patents and patent applications. Analyses of reports received from licensees indicate that research and actual production under the patents have been substantial. While larger firms were more readily inclined to take patent licenses during the war years, current statistics show that the proportion of small business licensees is steadily increasing. Some of these small businesses were established by returning servicemen, who are able to review the vested patents for the first time.

LONDON PATENT ACCORD.--Thus far the licensing of vested patents has been confined to American residents. At a recent twelve-nation conference in London, an accord was reached whereby formerly German-owned patents will be made available to nationals of all signatory governments on a uniform basis providing either for royalty-free licensing or dedication to the public. The accord is open to any member of the United Nations and to any neutral government. It will become effective upon signature by seven governments; the United States and several other countries are already signatories. This Division will be charged with supplying information to other participating governments and with licensing to their nationals German-owned patents vested by the United States.

Use and Development

The first step in encouraging industry to secure licenses and to use vested patents was to supply American manufacturers as widely and rapidly as possible, and in the most convenient form, with complete and accurate information about the Custodian's patent holdings.

Cooperation of technicians from American industry and of scientists and research workers generally was obtained to assist in acquainting potential users with the great amount of technical information contained in the vested patents and patent applications and to stimulate interest in their use. Catalogues of all vested patents and abstracts of those in the chemical, electrical, and mechanical fields were prepared and circulated in information booths, banks, and libraries throughout the country. Copies are also available for purchase by the public.

Special emphasis has been placed on rendering technical aid to small industries and sub-contractors and, since the termination of hostilities, to veterans.

The Patent Use and Development Section is responsible for the dissemination of technical information. Recently its field activities have been curtailed, but the Section continues to function from the Washington Office.

Prosecution of Pending Patent Applications

Vested pending patent applications are prosecuted before the Patent Office by the Patent Prosecution Section. Prosecution is considered the best means of bringing enemy inventions to immediate and effective use in American industry, and of protecting the rights of non-enemy nationals to whom many properties will be returned. Moreover, the interests of American citizens having contractual rights in vested applications are protected:

As of September 1, 1946, a total of 4,768 patent applications have been vested. Of these, 2,892 have issued as patents, the greater number of which are free for licensing under the Custodian's general licensing policy. Prosecution has been closed in 1,512 cases on which further work appeared unjustified. Of the 398 applications remaining in the prosecution stage, 144 were vested as enemy property and 254 as property of non-enemy nationals. Alleged bona fide American interests exist in all of the enemy applications still receiving consideration.

Contracts

While a greater number of patents were seized directly, control over a large number was obtained indirectly through vesting the foreign interests in patent contracts, particularly license agreements and assignments.

Enemy interests in contracts involving United States patents have been vested (1) to secure control over the patents and patent rights involved in such contracts, (2) to collect

royalties which might otherwise accumulate to the credit of the enemy, (3) to prevent fortuitous gains to American licensees and assignees, and (4) to correct unlawful or undesirable provisions which impose restraints upon production or trade.

The more than 600 patent agreements in which interests have been vested are being administered by the Patent Contract Section. Many of the agreements, some of which are parts of international cartel arrangements, are believed to contain provisions illegal under the antitrust laws. A number of cases have been referred to the Office of the General Counsel, which in turn has submitted certain cases to the Department of Justice for consideration of probable antitrust violations.

The patent agreements involve a substantial amount of administrative work in correspondence and conferences with the American parties. Royalties must be collected and differences of opinion on interpretation of the contracts worked out. In many cases the American parties desire to renegotiate their contracts, often to clarify their rights to permit them to take full advantage of the revival of international trade. In some instances negotiations are in process for the termination of contracts. Such terminations would free the Office to license the patents involved to all comers on a royalty-free basis.

The Division has never had sufficient staff to complete analyses of all patent agreements under its administration.

Corporate-Owned Patents

POLICY.--Early in the history of the Office, it was hoped that "captive patents", as patents held by vested corporations are commonly termed, could be made generally available by means of nonexclusive royalty-bearing licenses. It soon became evident, however, that the problems relating to these patents were complex.

The main problems were the existence of nonenemy minority and creditor interests in practically all vested companies owning patents, and the filing of claims and initiation of litigation by nonenemies seeking return of vested stock interests. Another consideration which weighed against general licensing of corporate-owned patents was the desirability of extensive research and experiment on a considerable number of undeveloped patents. Such work required expenditure of considerable sums of money, which ordinarily could not be justified except as an investment from which there would be a reasonable prospect of return.

The treatment of captive patents has been considered by the Executive Committee on Economic Foreign Policy, on which this agency, by invitation, and the Departments of State, Treasury, Justice, and Commerce, and several other agencies are represented. In February 1946 a definitive policy on captive patents was established by the President's approval of recommendations of the ECEFP.

This policy may be summarized as follows:

1. Firms wholly-owned by the Custodian.
 - a. Vest all patents owned by such firms and license them on a nonexclusive royalty-free basis; or use other techniques to secure such licensing.
 - b. Cancel any exclusive licenses held by such firms under vested enemy patents and license the patents on a royalty-free nonexclusive basis.
2. Firms in which vested stock interest is less than 100%.
 - a. Vest any patents acquired by such firms through cloaking transactions and license them on a nonexclusive royalty-free basis.
 - b. Utilize vested interests in firms involved in antitrust proceedings to obtain acceptance of consent decrees as a means of assuring licensing of all comers.
 - c. Utilize vested interests, wherever possible, to cause buying up of unvested interests; then follow policy stated in (1) above.
 - d. Where it is not possible to buy up unvested interests, utilize vested interests to cause issuance of nonexclusive licenses on patents owned by such firms to all comers on a reasonable royalty basis; and cancel all exclusive licenses of such firms under vested enemy patents and issue nonexclusive licenses to all comers on a reasonable royalty basis.

The Division of Patent Administration is responsible for the execution of the policy, subject to the legal opinion of the Office of the General Counsel, with respect to patent holding

companies under its supervision. Vested manufacturing companies, which hold the more valuable patent rights, are assigned to the Division of Business Management and Control.

ADMINISTRATION OF PATENT HOLDING COMPANIES.--Because of its familiarity with patent problems the Division administers ten vested patent holding companies, including companies owning exclusive interests in patents or conducting business in relation to patents of which they are not the record owners. Efforts are being made to liquidate those companies in which the Custodian has 100% ownership and to make their patents available for general licensing. A gross annual income of about \$800,000 results from the administration of seventy-seven patent license agreements involved. At this time nine of the companies will license any qualified applicant on reasonable royalty terms under any patents which they own. The tenth company, Kalio, Inc., had granted exclusive licenses before the war to Karl Lieberknecht, Inc., an enterprise in which the Custodian's voting interest is slightly more than 50%.

Returns to Non-hostile Nationals

The enactment of Public Law 322, which permits the Custodian to return property to nonhostile foreign nationals, has created new problems for this Division. It is expected that claims will be filed by nonhostile nationals for the return of 15,000 patents and several million dollars of royalties collected by the Office. The Division will investigate and review all claims relating to patents and related properties and make appropriate recommendations for allowance or disallowance. The Division will also review claims filed under Public Law No. 671 for payment of debts owing to claimants by nationals whose patent properties have been vested.

Copyrights

The Copyright Section of the Division of Patent Administration recommends vesting of copyright interests and administers such interests subsequent to vesting. At present copyright interests in about 500,000 works are held by the Office.

Vesting of copyright interests was originally limited to (1) works subject to contracts entered into before the war which required administration and under which royalties were collectible and (2) works requiring new licenses to meet the demand for their use or reproduction. On March 22, 1946, the Custodian vested all copyright interests of German nationals in books published in Germany from 1939 to 1945 (approximately 100,000 works). The vesting of these copyrights interests will make it possible for

the Government to license reproduction in America of German books otherwise unavailable here. The vesting followed recommendations of a number of American scientific and library groups.

In the administration of copyrights the Office collects royalties due on prewar contracts and grants licenses on works not already licensed. Most of the licenses granted by the Office are nonexclusive and royalty-bearing.

Disposition of enemy copyright interests will require pioneering of new techniques in the copyright field. It is currently proposed that enemy copyright interests relating to technical and scientific works be made available to all persons without charge and that all other copyright interests having commercial value be administered by grant of royalty-bearing licenses, and ultimately sold. Free licensing of technical and scientific works may be considered a logical step in the Government's program for the dissemination of German technology and a parallel of the Office's treatment of vested patents. On the other hand, it is felt that no compelling reasons exist for treating music, novels, and other such works on a nonprofit basis.

Copyright interests vested from nonhostile foreign nationals are returnable under Public Law 322.

Somewhat distinct from the broader copyright program of the Office is the administration of motion picture film. The Office holds not only the copyright interests but also about 10,000,000 feet of actual film. This film is made available without charge to other Government agencies and to organizations such as the United Nations. To a limited extent film is licensed to the motion picture industry on a royalty-bearing basis. The Office has not, however, proceeded on a comprehensive program of licensing vested film because of widespread opposition to the dissemination of material which may contain Nazi propaganda or bias. This opposition must also be considered in arranging for final disposition of the film.

Administration of Trade-marks

The Trade-mark Section recommends the vesting of trade-marks and administers the vested marks. Thus far it has been the policy to vest trade-marks only under specific circumstances and for definite reasons. Under this policy, less than 500 trade-marks have been vested. Of these, 16 were nonenemy marks which may possibly be returned to their former owners under Public Law 322.

A decision on whether or not to vest all German and Japanese trade-marks should be consistent with the economic policy of the United States toward Germany and Japan. It may be desirable to except trade-marks from the general program of eliminating all German and Japanese assets in the United States to the extent that such marks identify products made in Germany and Japan. Such a policy would encourage exports by enemy countries, thus helping them to make reparations payments and discharge other obligations. Representatives of the Department of State, which is responsible for economic policy with respect to enemy countries, have conferred with members of the Office from time to time on trade-marks, but the Department has not taken a definite position.

It will be necessary to continue vesting some trade-marks to prevent misuse and deception of the public. Unauthorized use by American manufacturers of enemy marks associated in the public mind with products made abroad would be deceptive, especially in view of the resumption of imports into this country of German goods under permission of the United States Commercial Corporation.

It may become necessary for the Alien Property Custodian to re-register some enemy marks under the new Lanham Act. This may be especially needed to protect United States firms dealing in the South American markets and using enemy marks registered in the United States under the provisions of Pan-American and other international treaties. It may also be necessary for the Custodian to supervise use of enemy marks for distribution purposes, since the new Act acknowledges the right of a plurality of persons to register the same trade-mark for use in different parts of the country.

The following are the general principles of the Office with respect to the disposition of vested trade-marks:

1. Trade-marks never used in the United States or used only on imported goods will not be transferred to new owners where such action would defeat the purpose of the marks by deceiving consumers as to the source of the goods to which they are applied.
2. Trade-marks used in the sale of patented products, the patents for which have been vested, will be made available to American licensees under these vested patents if the trade-mark designates the patented product rather than the source of supply. Restrictions may be imposed, however, on length and manner of use.
3. Trade-marks used for many years by American enterprises on goods made in the United States may be sold to the users under certain circumstances for the appraised value of the marks.

VIII

PROPERTY DIVISION

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

Representation Functions

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

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

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

VestingProperty Involved in Court Proceedings

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

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

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

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

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

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

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

Estates and Trusts Not under Judicial Supervision

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

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

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

Life Insurance Policies

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

Reduction to Possession and Administration of Property

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

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

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

General Description of Functions

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

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

Property under Judicial Supervision

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

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

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

Demands for reimbursement of costs and expenses incurred in administering property under judicial supervision are made through cost-and-expense vesting orders. The number and amount of such demands outstanding on September 1, 1946, or to be made, are as follows:

	<u>Number</u>	<u>Estimated amount</u>
Demands in process of collection	1,996	\$ 62,234
Demands to be issued on current cases	237	5,528
Estimated demands to be issued on probable 1,200 cases for vesting in fiscal year 1946-47	<u>3,005</u>	<u>120,200</u>
Total	5,238	\$ 187,962

Properties Not under Judicial Supervision

The number of vesting orders to be processed during the fiscal years 1947 and 1948 on securities, cash, bank accounts, credit instruments, claims, debts, personal property, and other property not under judicial supervision, is indicated below, on the basis of APC-56 reports filed (Series A to F only):

	<u>Number</u>	<u>Approximate number of property items involved</u>
Orders being processed ...	170	850
New orders to be issued in fiscal year 1946-47	1,700	8,500
Orders remaining to be issued in fiscal year 1947-48	<u>2,810</u>	<u>14,050</u>
Total	4,680	23,400

Additional vesting orders will be required with respect to certain of the 3,168 insurance policies reported on APC-56, Series H, and the 784 inter-vivos and testamentary trusts not under judicial supervision reported on Series G. No predictions concerning the number of vestible property items involved in these categories can be made at this time.

Administration of Securities

The Property Division is responsible for the administration of all securities vested or held in safekeeping, including receipts of principal and income, redemptions, stock dividends, reorganizations and exchanges, exercise of subscription rights, and the execution of all documents incidental to such matters. ^{3/} Authorizations are prepared by the Division for withdrawal of the securities from the Federal Reserve Bank for delivery to designated brokers for sale. On September 1, 1946, securities were held as follows:

In Federal Reserve Bank of New York:

2,700 items having a total
par value of \$ 50,205,850.10

In Washington Office:

128 vested items to be processed ... Value not determined
116 items received as voluntary
turnovers and subject to vesting . Value not determined
133 mortgage participation certificates held in custody for Real Estate Section but on which the Property Division maintains a record of all principal and income paid Value not determined

In safekeeping in New York Office:

1,211 items Little or no value

The estimated number and value of new securities subject to vesting under Executive Order No. 9567 are as follows:

<u>Fiscal year in which vesting will be made</u>	<u>Number of items (Estimated)</u>	<u>Par value (Estimated)</u>
1946-47	5,100	\$ 27,000,000
1947-48	12,100	64,100,000
Total	17,200	\$ 91,100,000

^{3/} It should be noted that the actual sale of securities and the control of business enterprises in which substantial stock interests have been vested is exercised by other divisions (chiefly the Division of Business Management and Control and the Division of Real Estate and Liquidation.)

Release of Property

Pursuant to Public Laws 322 and 671 the Vested Property Claims Committee is expected to examine and allow numerous claims. All allowed claims involving cash, securities, and property other than real estate, patents, trade-marks, and copyrights will be referred to the Property Division to effect a release of the property to the claimant.

It is expected that 350 title claims under Public Law 322 will be processed in 1946-47 and 700 in 1947-48; no prediction as to the volume of debt claims under Public Law 671 can be made at this time.

Disbursing

There is assigned to the Division a Disbursing Officer in the New York Office, who performs all disbursing and related functions for the entire Office of Alien Property Custodian. Such functions involve the receiving, scheduling, and depositing of remittances and funds to the accounts of the Disbursing Officer and the Custodian. Additional related activities include the receiving of vouchers; the preparation of schedules of disbursements; the issuance of checks in payment of salaries and expenses of the Custodian's office; the forwarding of checks to payees and to the Custodian's various offices; and the handling of the program of requisitioning, issuing, and delivering United States savings bonds for employees. Disbursing functions must be maintained on a current basis at all times.

World War I Claims

A small amount of property still held as a result of vestings in World War I is administered by the Property Division. The remaining work in connection with this property consists almost entirely of the handling of claims.

The Office presently holds funds from World War I cases amounting to approximately \$7,398,390, of which about \$5,000,000 represents the claims of German citizens. Allowance of all claims is barred by Public Resolution No. 53 (approved June 27, 1934), which prohibits the release of property seized during World War I, so long as Germany remains in arrears on debt payments. This prohibition has been removed by executive orders in certain categories of cases where the rightful claimants are non-German citizens. In a small and undetermined number of these accounts, the property may now be returnable in accordance with these executive orders. Final settlement of most accounts awaits Congressional determination.

Due to the German occupation of different European countries during World War II, it was necessary to suspend action on 595 claims in the approximate amount of \$825,708 for the release of property seized during World War I which were filed by citizens of Poland, France, Czechoslovakia, the Free City of Danzig, and certain other countries. Consideration of the claims will be resumed when the reciprocal treatment requirements of Section 9(e) of the Trading with the Enemy Act, as amended, are satisfied by arrangements between the United States and the respective governments concerned.

In addition, consideration of 278 Austrian cases involving approximately \$273,500 was discontinued in 1939 upon request of the State Department after its recognition of Germany's annexation of Austria. Further consideration of these cases will depend on future decisions on treatment to be accorded Austrian nationals.

IX

COMPTROLLER'S DIVISION

The Comptroller's Division performs all accounting and auditing functions for the Office of Alien Property Custodian. These functions include the maintenance of accounting records relating to property brought under the Custodian's control as well as to the administrative operations of the Office, supervision of the audits of vested or supervised enterprises, and audit of the administrative and vested property accounts of the Office. The Comptroller's Division is composed of five operating sections: The Accounts Section, the Service Section, the Field Audit Section, the Pre-Audit Section, and the Post-Audit Section.

Accounts Section

The Accounts Section maintains the accounting records of the Custodian, including detail accounts and control accounts relating to vested property and to the administrative functions of the Office. Approximately 28,000 accounts are maintained for properties remaining from World War I and 35,000 accounts for World War II properties. These accounts are classified by nationality of former ownership and by type of property.

The accounting records for the administrative expenses and revenues of the Office include some 6,600 expense recovery accounts in which expenses considered attributable to specific vested properties and enterprises are recorded for ultimate recovery from such properties and enterprises.

At the present time the principal volume of work in this Section arises from vested property transactions. As a result of the increased rate of vestings under Executive Order No. 9567 and the enactment of Public Law 322, authorizing the return of vested property and cash to nonenemy nationals, and of Public Law 671, authorizing the payment of taxes and debt claims, it is expected that there will be a substantial increase in the activities of this Section during the fiscal years 1947 and 1948.

Under Public Law 671 the Custodian is required to deduct from enemy assets available for payment of debt claims amounts representing the total administrative expenses of the Office. To provide a basis for such deduction, the Comptroller's Division will be required to assist in developing estimates on the total amount of enemy property vested and to be vested and on the total administrative expenses incurred and to be incurred until the completion of the agency's programs. Comparison of these data will provide a basis for allocating administrative expenses among the enemy properties. The Comptroller's Division will be required to develop and maintain a system to conform to this legal requirement.

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Service Section

The Service Section operates International Business Machine equipment in connection with the processing of accounting advices received from the Accounts Section on vested property and administrative accounts. The actual postings of the accounts and records are made in this Section through punched tabulating cards. By the use of these same cards, statistical reports, tabulations and analyses are prepared for the use of other sections and divisions in the agency. Approximately 2,000,000 such cards have been produced and are on file.

In addition to work on vested property and administrative accounts, the Service Section maintains information on punched tabulating cards on approximately 50,000 patents for the purpose of furnishing statistical information and patent data sheets, which contain a complete history of each patent, to the Division of Patent Administration and the Division of Investigation. Approximately 1,700,000 such cards have been produced and are on file. It is estimated that the work on patents constitutes about 20% of the entire volume of this Section.

Other functions of the Service Section include the preparation of the agency payroll, the maintenance of war bond allotment accounts and maintenance of mailing lists of persons desiring notification of proposed sales of vested property.

Field Audit Section

The principal function of the Field Audit Section is to outline requirements for and to supervise examinations and financial investigations of business enterprises in which the Custodian has a vested interest. The policy of the Custodian is to have examinations made by reputable firms of public accountants of the affairs of such business enterprises. These examinations are made as of the date of vesting or as near thereto as possible.

After the initial examination, the public accountants are usually engaged to make annual examinations and to prepare all tax returns, which are sent to the Field Audit Section for review before execution and submission to the taxing authorities.

The Field Audit Section also analyzes monthly or quarterly statements submitted by the management of vested business enterprises, reviews their accounting systems making such recommendations for improvement as may be necessary, and gives attention to their tax problems.

This Section is responsible for arranging with independent public accountants for the preparation of financial statements to be

included in prospectuses issued in connection with proposed sales of the Custodian's interests in vested business enterprises.

In addition to the above-mentioned responsibilities, this Section maintains the accounting records of some 200 vested business enterprises and prepares their tax returns and financial statements. It also makes examinations and financial investigations of other types of vested or supervised properties, makes or supervises audits of estates and trusts in which the Custodian has vested a beneficial interest, makes special examinations of the records of licensees of vested patents and copyrights for the purpose of verifying royalties payable to the Custodian and advises other divisions on matters requiring specialized knowledge of accounting and tax problems and assists them in working out satisfactory forms of financial reports.

Under Public Law 671, which provides among other things for the payment of post-vesting taxes, the Field Audit Section will have the responsibility for preparing and/or reviewing some 30,000 tax returns covering the years 1942 through 1946. Consultations have been held with representatives of the Bureau of Internal Revenue to devise a system whereby the preparation of the returns and payment of the taxes due can be expedited.

Pre-Audit Section

The Pre-Audit Section performs all audit work on expenditures made by the Custodian in connection with both vested assets and the administrative operations of the Office. This Section also audits all cash receipts arising from the sale or liquidation of vested assets, the income received from vested assets, and the administrative revenues of the Office. It reconciles balances of all deposit accounts maintained by the Custodian.

In connection with Public Laws 322 and 671 this Section will have the responsibility for auditing vouchers and other documents relating to the return of vested properties and cash to nonenemy nationals and the payment of debt claims and taxes.

Post-Audit Section

The Post-Audit Section has the responsibility for determining that all assets vested are recorded on the books of the Custodian. On the basis of information obtained from

vesting orders, investigation reports, audit reports, and supplemental data, this Section advises the Accounts Section of the estimated values at which the assets are to be recorded. All transactions related to the sale or other disposition of vested properties as well as the income and expenses applicable thereto and the administrative expenses and revenues are subject to audit by this Section.

Audits are made monthly of receipts and disbursements reported by agents who manage for the Custodian some 500 parcels of vested real estate. In addition detailed records are maintained with respect to the various parcels of real estate for the purpose of furnishing the Real Estate Section of the Division of Real Estate and Liquidation with pertinent information. Income received on some 250 vested mortgages is also audited, and the Real Estate Section is advised of any errors in the remittances or any overdue payments.

In connection with sales of vested securities, other than those offered through a prospectus, this Section informs the Division of Business Management and Control when the securities are in order for sale and, after such sales are completed, audits the transactions.

The Post-Audit Section is now assisting our auditors, Arthur Andersen and Company, in their annual examination of the accounts of the agency. Such assistance relieves the auditors of much of the detail work and results in a substantial saving in audit fees.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel formulates the legal policy of the Office of Alien Property Custodian and renders advisory opinions to the Custodian on legal problems. It prepares or reviews legal documents and regulations, analyzes legislation, and drafts legislative proposals. The legal affairs involved in operating or liquidating business enterprises and other properties controlled by the Custodian are handled by the General Counsel's office. The Office also acts as trial attorney and counsel in conducting hearings on claims, and recommends action to be taken with respect to them. It analyzes and passes on matters to be referred to the Alien Property Litigation Section of the Department of Justice for litigation.

Legal Research and Opinion

Legal research is necessary in the determination of both legal and general policy for the agency. The legal problems encountered frequently involve novel, complex questions cutting across the entire area of private as well as administrative law. Laws of the various states, and also of foreign countries, must often be analyzed. The Office of the General Counsel is now preparing 95 legal memoranda or opinions occasioned by general or special problems of the agency. The Research and Opinion Section, and the Finance and Interpretation Section, are responsible for most of this work.

Claims

The filing of claims against vested property is authorized under Sections 9(a), 32, and 34 of the Trading with the Enemy Act, as amended. Prior to the enactment of Public Law 322, approved March 8, 1946, and Public Law 671, approved August 8, 1946, the Custodian had clear authority to allow only a limited class of claims. Pending clarification of the Custodian's authority, there accumulated a backlog of approximately 1,000 title claims, i.e. claims asserting title to or an interest in vested property, and 4,500 debt claims, i.e. claims of creditors, including contractual rights, against persons who owned property which has been acquired by the Custodian. Many inquiries have been received concerning the procedure for filing claims, and

it is estimated that approximately 4,000 additional title claims will be filed by residents of foreign countries. No estimate can be made as to the number of additional debt claims which will be filed.

The Claims Section of the General Counsel's office reviews all claims filed with the Custodian. The General Counsel recommends action with respect to claims and represents the Custodian in hearings before the Vested Property Claims Committee 1/ in contested cases. The treatment of claims which are carried to the courts (numbering 87 up to the present time) is discussed below under the heading "Review and Litigation".

The principal legal problems with respect to title claims relate to the claimant's eligibility under Section 32 of the Trading with the Enemy Act, as amended, and to the title of the claimant prior to vesting. Eligibility is governed by Section 32 of the Act, which requires determinations with respect to questions such as the claimant's nationality, residence during the war, and whether he was hostile or friendly to the United States. Title questions normally involve interpretations of applicable local law.

Since many title claimants are residents of foreign countries, negotiations are now in progress with foreign governments to establish procedures for certification as to the citizenship and hostility or non-hostility of these claimants. Agreement has been reached with the French Government, which has set up a clearing house in Paris to handle certifications for residents of France.

Procedures conforming to the requirements of Public Law 671, relating to the payment of debt claims, are being set up. The law requires marshalling of claims against the vested assets of each debtor and distribution in accordance with a priority system. Creditors' claims cannot be paid until the time for filing claims against each debtor has expired in accordance with bar dates to be fixed by the Custodian, until pending title claims for return of the property have been disposed of, and until the property is sufficiently liquid to permit payment. It will be the function of the General Counsel to review the validity of debt claims and to urge all defenses which could have been urged by the former owner of the property.

1/ The work of the Vested Property Claims Committee is described in the succeeding chapter.

Real Estate

The Real Estate Section of the General Counsel's office handles all legal problems relating to the vesting, divesting, servicing, and liquidation of real estate acquired by the Custodian. This involves review and preparation of various types of legal documents, including leases, orders for sale, deeds, assignments, and satisfaction of mortgages. The title acquired by the Custodian must be examined and consideration given to claimed encumbrances against the property. Legal memoranda frequently must be prepared on the nature of the Custodian's title, or other legal problems incident to the sale.

There are presently under consideration in the Real Estate Section cases involving 15 proposed offers for sale, 20 cases involving the preparation of deeds, 35 cases involving preparation or review of leases, and 15 cases involving satisfaction or assignment of mortgages. In addition there are 25 requests for legal opinions on miscellaneous problems such as the scope of vesting orders, taxes, the effect of mortgage moratorium laws, and title questions. It is expected that during the fiscal year 1947 approximately 600 parcels of real estate will be sold and that approximately 844 new real property vestings will take place, raising problems similar to those above enumerated. In addition, it is expected that new problems will arise under Public Law 671, which authorizes the Custodian to pay post-vesting taxes.

Review and Litigation

Special Matters under Review

Apart from cases in litigation, many other important cases are being reviewed in the Review and Litigation Section. An example is the situation resulting from the Custodian's vesting the interests of German nationals in numerous contracts (represented by over 100 separate documents) to which General Aniline & Film Corporation is a party, several hundred patents in which the corporation claims an interest, and approximately 97% of the stock of the corporation. The total

assets of General Aniline & Film Corporation amount to about \$75,000,000. The complicated technical agreements upon which the claims are based have been subjected to successive modifications, supplementations, and partial cancellations. It is currently necessary to reduce the contract relations between the Custodian and the corporation to an integrated document with a view to clarifying the relationship and removing provisions which are or may be tainted with illegality.

Another major problem is the imposition of restrictions upon reacquisition by enemies of stock in key corporations sold by the Custodian. A regulation in this connection has recently been promulgated.

Litigation

While litigation is handled by the Alien Property Litigation Section, Department of Justice, after referral by the General Counsel, the General Counsel must first review the legal and factual problems involved and prepare an analysis of the case, together with recommendations. After referral, the General Counsel collaborates with the Department of Justice in preparing the case for trial or other appropriate action. At present there are 1,306 such cases pending in the Department of Justice.

A salient example of the type of work involved is the case of Standard Oil Co. (N.J.) v. Markham, which involves the claim of Standard Oil Company and several affiliated companies to property rights and interests in some 800 patents and patent applications (highly valuable in the field of oil refining, synthetic gasoline, and synthetic rubber) and in certain shares of stock acquired by the Custodian as property formerly owned by I. G. Farbenindustrie, A. G. The plaintiffs allege that they paid \$35,000,000 in cash and stock, in addition to valuable patent rights, to obtain the property which they seek to recover. The Custodian's defenses include the contention that ownership remained in I. G. Farben and that many of the transactions served to cloak continuing Farben interests, that title to numerous patents did not pass as a matter of patent law, and that transactions on which the claims were based were illegal under the antitrust laws. The legal and factual analysis of the case and the underlying transactions is one of tremendous volume, scope, and novelty. Some 6,000 documents were involved, many of them in German, of which over 700 were introduced as exhibits. The opinion of the District Judge contained 91 findings of fact and 43 conclusions of law and yet outlined "only so much of the controversy as is necessary for an understanding of the principal legal questions discussed." Some issues were decided for the Government and some for the plaintiffs, and notices

of appeal have been filed by both parties. In addition to the property involved in this suit the Custodian has vested many other patents and interests of I. G. Farben which are claimed by the Standard Oil group, and further litigation of comparable complexity may be expected.

Another important case is that brought by Swedish interests for the recovery of the shares vested by the Custodian in the American Bosch Corporation. The transactions in the ownership of this property, ranging from the last war up to the present, and involving a maze of Swedish, German, Dutch, and other interests, are extremely intricate.

Liquidation and Business Operations

Liquidation

The Liquidation Section deals with legal problems arising from the liquidation of vested assets. At present there are 10 dissolution orders in preparation and 10 sales orders under review. Six legal memoranda are also being prepared involving such questions as the effect of Section 34(1) of the Trading with the Enemy Act, as amended by Public Law 671, on debts contracted by the Custodian with respect to vested property, the propriety of liquidating a securities holding corporation in which the Custodian has vested 50% of the stock where the anticipated yield from liquidation is greater than the sales value of the stock, recovery by a stock vested corporation of proceeds of an unlicensed sale of real estate, and effect of the Royal Netherlands Vesting Decree on the claim of a stock vested corporation against assets deposited for its benefit by a Dutch bank in the United States.

Business Operations

The Business Operations Section reviews prospectuses and deals with legal problems arising from the management of substantial stock interests in corporate enterprises. Four legal problems in connection with the sales of stock interests are now under consideration, one of which involves the effect and validity of "first purchase" rights in shares which have been vested by the Custodian. Additional problems involve the effect of an increase of capital stock by a corporation which would result in reducing the Custodian's percentage stock ownership, legal representation of the Custodian in the Philippines under Public Law 485, 79th Congress, and the preparation of turnover orders and minutes of stockholders and directors meetings. It is expected that there will be a sharp increase in the activities of this Section during the coming year.

Banks and Insurance Companies

The Office of the General Counsel supervises liquidation of the 22 banks and eight insurance companies under the control of the Alien Property Custodian.

The Custodian has vested the excess proceeds of 14 enemy banks and agencies, the assets of two banks, and a majority of the capital stock (over 90% in most cases) of six banks. The "excess proceeds", consisting of the assets that remain after payment of domestic claims allowed in accordance with state laws, were vested in all those cases where liquidation of unincorporated banks was undertaken by the Superintendent of Banks of the particular state concerned. Where liquidation of unincorporated banks was undertaken by the Office, all assets were vested. Stock was vested in all corporate cases whether liquidation was undertaken by state authorities or the Office.

All but one of the eleven banks located in the State of New York, which are being liquidated by the State Superintendent of Banks, have paid a dividend of 100% on the principal of all filed and allowed claims, and the Superintendent will soon be in a position to turn over excess assets, amounting to approximately \$8,000,000 in cash and \$25,000,000 in assets in kind, to the Custodian. There are numerous legal and administrative problems involved in the liquidation of these enterprises, including determination of the amount of reserves to be retained by the Superintendent to meet creditors' claims, determination of the right of depositors to receive interest during the liquidation period, vesting of assets held but not owned by the banks (e.g., enemy-owned collection and safekeeping items), collection of deposits in foreign countries totaling about \$1,000,000 and foreign receivables totaling about \$3,000,000, ascertaining the liability of the vested institutions in actions involving approximately \$9,000,000 initiated by the Superintendent of Banks, disposition of other cases in which the Superintendent is defendant, supervision of payment of judgments obtained against the Superintendent, and resolution of inter-office claims between agencies of vested banks involving a sum in excess of \$10,000,000.

It is expected that the five California banks also being liquidated by state authorities, likewise will soon pay 100% of the principal of all filed and allowed claims. Reports of these banks reveal an excess of assets over liabilities of roughly \$2,000,000, to be turned over to this Office.

Three banks in Hawaii, two in the State of Washington, and one in Illinois, are being liquidated by trustees who are also employees of this agency. Closer supervisory control is exercised over these banks than over those under direct jurisdiction of the state superintendents.

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Substantially all of the administrative and legal problems specified above in connection with the liquidation of the New York banks will be present in the liquidation of the other banks.

There are eight insurance companies in which the Custodian has a vested interest: in four New York agencies all excess proceeds have been vested; in two, the majority of the capital stock; and in two, all assets. The Superintendent of Insurance of the State of New York is supervising the liquidation of five of the companies, and two are being liquidated by the Custodian's Honolulu Office.

The New York insurance companies will probably soon be in a position to turn over their remaining excess assets, amounting to approximately \$1,000,000. In previous years, \$11,000,000 of excess assets has been distributed to the Office. Liquidation of insurance companies involves problems similar to those encountered in banks.

Patents, Copyrights, and Trade-marks

There are approximately 50 current cases involving patents, copyrights, and trade-marks, handled by the Legislation and Patent Problems Section. These involve determination of the rights of American citizens in such properties, determination of the royalty obligations of patent and copyright licensees and assignees under agreements in which the foreign rights and interests have been vested, determination of the legality of license and assignment agreements under the antitrust laws, preparation of complaints and consent decrees, preparation of contracts providing for renegotiation of exclusive license agreements which are illegal under the antitrust laws, preparation of contracts providing for the settlement of disputed royalty issues, administration of corporate-owned patents, legal dissolution of vested enterprises owning patents or administering vested patents, preparation of special licenses designed to meet unique situations or to comply with the requirements of judicial decrees, and infringement problems.

It is anticipated that the problems outlined above will also appear in many vested contracts which have not yet been presented for consideration. In addition, it is expected that a variety of problems peculiar to patents, copyrights, and trade-marks and related contract interests will result from the recently enacted Public Law 322, which provides for the return of interests in property which were vested from non-enemy nationals.

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Legislative Program

The principal legislative matters which remain unresolved are: (1) legislation to provide for the final disposition, through dedication to the public and other means, of enemy patents directly vested by the Custodian (a draft of which has been submitted to the Department of Justice), and to provide for the carrying out of the President's program with respect to so-called "captive" patents, i.e. those owned by corporations in which the Custodian has vested stock; (2) legislation to grant the Custodian authority to sell property notwithstanding the filing of a suit by a foreign national for its return under Section 9(a) of the Trading with the Enemy Act and to provide such nationals with the remedy of suit for just compensation; and (3) recodification of trading with the enemy legislation to eliminate obsolete provisions and modernize those provisions which are still vital.

Legislation may also be required to resolve legal problems incident to inter-custodial conflicts and to implement agreements reached at the scheduled November meeting of the Inter-Allied Reparations Agency in Brussels.

XI

VESTED PROPERTY CLAIMS COMMITTEE

Under a specific delegation of authority from the Custodian, the Vested Property Claims Committee administratively adjudicates or determines all claims asserted against the Alien Property Custodian because of any vesting, supervisory, or other orders issued pursuant to the Trading with the Enemy Act, as amended. The need for administrative proceedings within the Office is apparent from the fact that at present there are some 6,000 claims filed with the Office and at least another 4,000 are expected. In the absence of an administrative tribunal each claimant would be compelled to seek relief in the federal courts.

The Vested Property Claims Committee has an authorized strength of three members. There is one vacancy on the Committee at this time. The Committee also has a small legal and clerical staff. In view of the anticipated increase in the volume of work, it is probable that a considerable expansion of the staff will be necessary.

Procedure

Claims may be determined either under the contested (plenary) procedure or by summary proceeding.

Contested or plenary proceedings are adversary in nature. The claimant is usually represented by counsel and the Custodian by an attorney on the General Counsel's staff. The hearings are stenographically reported, and briefs are usually submitted by the parties. The Committee determinations are issued first in tentative form; before their issuance in final form, the parties have an opportunity to submit either oral or written proposals to modify. Either party may make application to the Custodian within twenty days for review of any final determination.

Summary proceedings for allowance are initiated by the Office of General Counsel and are used only if the claimant is so clearly entitled to allowance that the public interest does not require a contest or hearing.

Under both plenary and summary proceedings, the Committee determines all issues of fact and law.

Because of the absence in most plenary proceedings of an initial pleading containing specific allegations which must be established by proof at the hearing, similar to those set out in a petition or complaint in a law suit, the Committee has found it convenient to the parties and to itself to hold a pre-hearing conference before a contested claim is heard. The

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purpose of a pre-hearing conference is to define and simplify the issues, arrange for stipulations as to facts not in dispute, and reach an understanding on such matters as the burden of proof and introduction of exhibits, so that the formal hearing can be limited to basic and pertinent factual information. Some claims have been withdrawn, abandoned, or dismissed upon application after exploration of the issues at the pre-hearing conference because it was then obvious that no relief could be afforded the claimant.

Claims Programs

Title Claims

The Committee has issued to date 41 tentative determinations involving 52 claims and 37 final determinations concerning 48 claims. In addition 106 claims have been allowed under summary proceedings. These processed claims are a small number compared with the 1,000 title claims now pending in the Office and the 4,000 additional title claims expected under present legislation.

Until recently the Committee was greatly hampered in the disposition of title claims because of uncertainties as to the proper interpretation of the Trading with the Enemy Act, as amended. It had always been clear that Section 9(a) of this Act permitted returns to persons who are both citizens and residents of the United States and who are not technically foreign nationals. It was not clear, however, whether this Section permitted returns to non-enemy foreign nationals in view of a subsequent amendment to the Act, namely the First War Powers Act, which permitted vesting of the property of such persons.

This difficulty has been removed by the passage of Public Law 322, approved March 8, 1946, which clearly sets forth categories of persons, both American nationals and non-enemy foreign nationals, to whom returns may be made in the discretion of the Custodian. These categories were later slightly broadened by Public Law 671 of August 8, 1946.

The amount of work ahead of the Committee may be roughly indicated by the fact that in the past it has required 15 man-days to process a contested claim to final determination, a rate of 16 claims per man-year. On the other hand, title claims determined summarily can be processed at an estimated rate of two claims each day or a total of 480 per man-year. Fortunately, it is anticipated that around three-fourths of the title claims can be processed through summary proceedings. Nonetheless, the Committee staff must be substantially increased to permit disposition of claim within a reasonable period of time.

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Debt Claims

Public Law 671, approved August 8, 1946, authorizes the Custodian to pay resident creditors of the former owners of vested property. Prior to its enactment, creditors were permitted to file debt claims, but such claims were not processed because clarifying legislation was deemed imperative. The Committee will determine all issues of fact and law involved in debt claims in a manner similar to the procedures established in title claims. Some modification, of course, will be necessary to adapt the procedures to the different nature of the claims.

At the present time there are on file in the Office of Alien Property Custodian no less than 4,500 debt claims. The recent enactment of Public Law 671 and the increased amounts of property being seized by the Office under Executive Order No. 9567 should result in the filing of an additional number of claims. It is expected that it will require about two man-days for each contested debt claim and about one-half man-day for each summary allowance of a debt claim. It is not practicable to estimate the proportion of debt claims which will require contested proceedings, but it will probably be small.

Thus far the Committee has not handled or scheduled any debt claims, but it is expected that work on this program will commence early in the next calendar year. Again the Committee will require additional manpower to dispose of the enormous number of claims within a reasonable period.

Miscellaneous Activities

In addition to the formal adjudication of claims, the Committee undertakes from time to time, at the request of the Custodian, to resolve special administrative problems not within the established category of claims, such as the adjustment of post-vesting salary questions of employees hired for the liquidation of vested enterprises.

As an aid to persons having claims against the Office, the Committee has recently issued all of its final determinations in a bound volume. In addition members of the Committee, through correspondence and interviews, assist claimants and potential claimants by explaining the procedures of the Committee and the situation with respect to their claims.

XII

OFFICE OF THE SECRETARY

The Office of the Secretary performs a number of functions concerning the internal activities of the agency and its external relations with the public and other government agencies. These functions deal primarily with the development and coordination of policies and practices and with related administrative matters.

Intra-Office Functions

The Office of the Secretary serves as a secretariat for the Executive Committee of the Office of Alien Property Custodian. The Executive Committee is an advisory group composed of principal officials within the Office who meet with the Custodian, usually once every two weeks, to discuss important problems confronting the agency. The Office of the Secretary sets up the agenda of the Committee meetings, advises the Custodian of the matters to be discussed, takes the minutes, and executes directions of the Custodian made at the meetings.

The Office of the Secretary works with the other divisions in developing general policies of the agency and in determining the application of general policies to particular problems. The Secretary's office is also responsible for keeping all divisions informed of the agency's policies and procedures and securing their consistent application.

As a part of its coordinating duties, the Office of the Secretary reviews all formal orders and documents presented to the Custodian for signature. In addition to reviewing orders and documents, the Office of the Secretary processes, records, and distributes them. With minor exceptions, copies of each order must be filed with the Division of Federal Register, National Archives. The Secretary's office also prepares all sales orders on the basis of recommendations by operating divisions after examining the sufficiency of offers, qualifications of bidders, and other policy and procedural matters.

External Relations of the OfficeRelations with the Public

In the agency's relations with the public, the Office of the Secretary is generally the initial point of contact. It handles most of the general correspondence of the Office and

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either prepares a reply or refers the matter to the appropriate division.

Correspondence from the public is diverse in nature. As an illustration, a considerable number of inquiries on claims are received; non-legal inquiries are answered by the Office of the Secretary, and legal inquiries are referred to the Office of the General Counsel. The Secretary's office sends out claims forms to persons requesting them, receives and docketts the completed forms, and acknowledges receipt. The new claims programs under Public Laws 322 and 671 will substantially increase the volume of this work.

Liaison with Other Agencies

The nature of the work of the agency and the direct relationship of this work to the functions of other agencies require close liaison. It is through centralized liaison in the Office of the Secretary that the policies of this agency are coordinated with those of other executive branches and, with the Department of State as intermediary, with those of foreign governments. In particular, close liaison is maintained with the Treasury Department, which also administers foreign property controls, and with the Department of State, which is primarily responsible for governmental decisions on the treatment of the various classes of foreign nationals.

Among the major liaison problems at this time are negotiations with the Treasury to integrate the relaxation of foreign property controls to the vesting program of the Custodian; negotiations with the State Department on the vesting of diplomatic and consular properties; and the resolution of inter-custodial conflicts.

Inter-Custodial Conflicts

The Office of the Secretary has the primary responsibility for work concerning the solution of inter-custodial conflicts. The Secretary is Executive Secretary of the Intra-Office Committee on Conflicting Custodial Problems, which is composed of members of all interested divisions of the agency, and of the Inter-Office Committee on Conflicting Custodian Problems, which is composed of members of the Department of State, the Treasury Department, and the Office of Alien Property Custodian. Administrative work of the agency connected with inter-custodial conflicts is handled by the Office of the Secretary.

Conflicts between the custodians of the various allied governments have arisen because of the existence of many enemy properties over which more than one custodian has a basis for

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claiming jurisdiction. For example, the United States has vested German companies in this country which have subsidiaries in other allied countries; should the United States or the other allied country deal with the subsidiary? The United States has also vested securities issued by American corporations, the certificates for which are physically located in other allied countries; should the United States or the other countries exercise jurisdiction? In other cases, the position of the United States is reversed. Moreover, similar conflicts exist with respect to many other types of properties.

In the solution of those conflicts the principal aims of each nation are two-fold: (1) to secure for itself those properties which it considers properly subject to its jurisdiction; and (2) to protect the creditor or minority stockholder interests of its nationals in those enemy properties over which another custodian has assumed control. The conflicts may be resolved by one of two courses: litigation or agreement. Litigation is not viewed as a satisfactory solution because it would be costly and slow, and might lead to diplomatic friction. These and other difficulties were experienced after the first World War.

As a first step in the solution of the conflicts, representatives of Canada, the United Kingdom, and the United States held a number of meetings during 1944 and 1945. An agreement covering a variety of problems involving the three nations was signed on June 12, 1945.

In June 1946, preliminary discussions on inter-custodial conflicts were held in Brussels, Belgium, under the auspices of the Inter-Allied Reparations Agency (IARA), of which the United States is one of eighteen member governments. IARA, which deals with German external assets generally, was considered the appropriate forum to resolve custodial problems. At the June meeting, six countries were represented. The United States representation consisted of members of the Department of State, the Treasury Department, and the Office of Alien Property Custodian. The meeting proved helpful in ascertaining the nature, extent, and complexity of the problems involved. A further conference in Brussels is tentatively scheduled for November 1, 1946, and this agency has again been invited by the Department of State to send representatives. In this conference an attempt will be made to work out an agreement among the eighteen member nations for the resolution of all types of inter-custodial conflicts.

Pending the development of an international agreement on the settlement of inter-custodial problems, this Government is undertaking, on a case by case basis, to protect its interests abroad. The Office of Alien Property Custodian is particularly concerned in these matters when they relate directly to

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vested properties. For example, enemy business enterprises vested by the Custodian have collection items of approximately \$5,000,000 in the Western Hemisphere alone. These amounts are principally owed by enterprises seized by other governments, and it will presumably be necessary to negotiate with these governments for the settlement of the accounts. The Latin-American governments are not members of the Inter-Allied Reparations Agency and, therefore, there is no assurance that they will subscribe to agreements reached at Brussels.

XIII

OFFICE OF THE EXECUTIVE OFFICER

The Office of the Executive Officer controls and directs all administrative management activities including budgetary and administrative planning; in addition, it supervises the various business functions of the agency.

A report on administrative expenditures authorized or obligated for the fiscal years 1942 through 1947 is shown in Table 2.

Budget for Fiscal Year 1947

Funds currently authorized (\$3,500,000) for the fiscal year 1947 will not be adequate to defray expenses at the present rate of expenditure. The deficiency results from lack of authorization to date for the following items:

1. Basic wage increase authorized by Public Law 390.
2. Philippine Islands Program.
3. Debt claims program under Public Law 671.
4. Title claims program under Executive Order No. 9725.

Informal discussions with representatives of the Bureau of the Budget have revealed a willingness on their part to approve funds for the first item, which would amount to \$393,834. Of this amount, \$62,440 would be allocable to the Alien Property Litigation Section of the Department of Justice.

It is likewise probable that 1947 funds will be approved for the Philippine Islands Program. This item was deleted from the original 1947 estimate by the Budget Bureau on the premise that, with the establishment of the Philippine Republic on July 4, 1946, the Custodian would have no further duties in the Philippine Islands. The Office's activities in the Philippines are being continued, however, under Executive Order No. 9747.

No funds have been requested or allocated for processing debt claims under Public Law 671. This legislation was approved on August 8, 1946, and a supplemental estimate for the work will be prepared this fall.

For title claims work under Executive Order No. 9725 a preliminary allocation of \$66,000 has been made. Since the work accomplishment objective cannot be achieved with this amount, additional funds should be sought.

314193

Table 2.--Means of Financing Administration Expenses,
Fiscal years 1942 to 1947.

Fiscal year	Means of Financing	Amount authorized or obligated <u>1/</u>
1942-44	Administrative funds remaining from World War I, transferred from Department of Justice by Executive Order No. 9142	\$ 4,063,089
	Less reserve for World War I expenses (unobligated) .	<u>125,000</u> \$ 3,938,089
	Obligated under Executive Order No. 9325	5,401,317
	Emergency Fund for the President ..	70,000
	Less unobligated balance returned to Treasury	<u>31,305</u> 38,695
	Total, from date of organization March 11, 1942, to June 30, 1944	<u>9,378,101</u>
1945	Public Law 529 (78th Congress)	4,000,000 <u>2/</u>
1946	Public Law 156 (79th Congress)	2,500,000
	Public Law 269 (79th Congress)	730,300
	Public Law 349 (79th Congress)	<u>332,900</u> 3,563,200 <u>3/</u>
1947	Public Law 521 (79th Congress)	<u>3,500,000</u>
	Total, July 1, 1944 to June 30, 1947	<u>11,063,200</u>
	Grand Total authorized or obligated, fiscal years 1942 to 1947	\$ 20,441,301

1/ Authorizations from Congress were not required until fiscal year 1945.

2/ Unobligated balance, \$21,087.

3/ Unobligated balance, \$99,111.

Budget for Fiscal Year 1948

In the development of the 1948 budget estimate consideration has been given to the directive of the President communicated to the Office in a letter from the Bureau of the Budget on June 26, 1946. This directive provides that no increases will be requested for "existing activities or initiation of new ones, unless such expansion is required to meet a demonstrable public need of the highest priority, cannot be deferred, and cannot be avoided by more efficient and economical administration." To meet this requirement approximately \$1,000,000 has been cut from the estimates submitted by the various divisions of the agency.

At this writing the budget estimate for 1948 has not been completed; for this reason reference to any specific figures has been omitted.

314195

XIV

DIVISION OF ADMINISTRATIVE SERVICES

The Division of Administrative Services was created on July 1, 1946, to establish within a single division the responsibility of providing administrative services for the Office. Records, mails, and files had previously been handled by the Office of the Secretary. Most of the remaining service functions were for many years performed by the Federal Deposit Insurance Corporation, from which they were transferred by degrees during the past fiscal year.

Records, Mails, and Files

The Records, Mails, and Files Section has general supervision of all the agency's files and filing procedures and custodial responsibilities for official and seized records. It receives, routes, and records all incoming and outgoing mail in the Washington, New York, and San Francisco offices. In addition, it performs a considerable variety and volume of carding and indexing work in connection with forms and other documents received by the agency. The new claims programs under Public Laws 322 and 671 should substantially increase all phases of the Section's work.

Retirement of Records

The Records Retirement Unit surveys all official records of the agency to prepare retirement schedules. Various lengths of time are suggested for keeping the different classes of records, depending on their subject matter. These proposed record retention periods are submitted to the National Archives for final approval. Disposable records are named in disposal lists, similarly transmitted to the National Archives, and when these lists are approved, the records are destroyed. Documents considered to be of enduring value and certified as such by the National Archives are transferred to the Archives or other designated depository for permanent safekeeping when their current use by the Alien Property Custodian is no longer required. The records retirement branch in the New York warehouse has custody of a major portion of the records taken from vested business enterprises. Its work load will increase if records stored elsewhere are transferred to the New York warehouse.

Other Services

The Procurement and Supply Section handles all purchases of the Washington office and maintains a stock room. Representatives of the Division in New York and San Francisco perform similar

duties in those offices. All payment vouchers for field offices clear through the Washington office.

There also exists within the Washington office of the Division a messenger unit and a duplicating unit. The duplicating unit has equipment for mimeographing, photostating, and multilithing. The work of the duplicating unit has been increasing during recent months and is expected to remain at its present high level for at least a year as a result of the increased rate at which vesting orders are being issued.

XV

DIVISION OF PERSONNEL

The Division of Personnel is responsible for the administration of the personnel program of the Office of Alien Property Custodian. The Division is concerned primarily with recruitment, placement and training, position classification, and the maintenance of all personnel records incident to appointment, payroll, leave, and retirement.

Number and Composition of Personnel

On September 1, 1946, the Office of Alien Property Custodian had on its active rolls a total of 745 employees. This figure includes departmental and field employees in both the classified and unclassified service. Of this number, 731 are full-time employees, 5 are employed part-time, and 9 are employed irregularly (WAE employees).

Table 3 presents a breakdown of these 745 employees by division, location, and Civil Service classification series.

In addition to the 745 active employees the Office has 45 persons on military furlough and 17 on extended leave without pay.

Personnel Ceilings

The personnel ceiling of the Office of Alien Property Custodian, as determined by the Bureau of the Budget for the first quarter of the fiscal year 1947, is limited to 695 full-time classified employees and 14 man-months for part-time and irregularly employed personnel, for Washington, D. C. and the continental United States. In addition, there is an allowance of 20 full-time employees and employment up to 2 man-months for part-time personnel for the Hawaiian office. Employees in the Philippine office are excluded from the personnel ceiling.

The Office at present is below its continental United States quota of full-time employees by 24 persons and below its Hawaiian ceiling of full-time employees by 2 persons.

314198

Table 3.--Breakdown of Personnel by Division, Location and Civil Service Classification Series

Division	Total	Location					Civil Service Classification			
		Wash- ington	New York	Chi- cago	San Francisco	Other	P	CAF	CPC	Unallo- cated
Total	745	443	201	19	24	58	160	528	19	38
Office of the Custodian	8	8	-	-	-	-	-	6	-	2
Office of the Executive Officer	4	4	-	-	-	-	-	4	-	-
Office of the Secretary	17	17	-	-	-	-	3	14	-	-
Vested Property Claims Committee	9	9	-	-	-	-	7	2	-	-
Office of the General Counsel..	83	82	-	-	1	-	45	38	-	-
Comptroller's Division	71	-	66	-	5	-	-	71	-	-
Div'n. of Administrative Services	95	65	30	-	-	-	-	77	18	-
Division of Personnel.....	14	11	3	-	-	-	-	14	-	-
Div'n. of Research & Statistics	36	36	-	-	-	-	20	16	-	-
Division of Investigation	94	69	23	-	2	-	29	65	-	-
Div'n. of Patent Administration	73	59	14	-	-	-	22	51	-	-
Property Division	122	62	35	19	6	-	32	90	-	-
Div'n. of Business Management and Control	20	11	9	-	-	-	-	20	-	-
Div'n. of Real Estate and Liquidation	30	10	18	-	2	-	-	30	-	-
Manager, New York Office	3	-	3	-	-	-	-	3	-	-
Manager, San Francisco Office .	8	-	-	-	8	-	-	8	-	-
Manager, Hawaiian Office	18	-	-	-	-	18	2	15	1	-
Manager, Philippine Office	40	-	-	-	-	40	-	4	-	36

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XVI

DIVISION OF RESEARCH AND STATISTICS

The Division of Research and Statistics analyzes problems involved in the investigation, administration, and disposition of property in order to assist in the determination of policy and in securing efficiency in the operating programs. It compiles statistical data on controlled properties and on various activities of the Office. The Division also prepares the official reports of the Office, including the Annual Report, and provides information services for persons and agencies concerned with enemy property.

ResearchResearch on Current Problems

At the request of the Custodian or other divisions of the agency, the Division of Research and Statistics conducts non-legal research of all types to assist in the development of policy and in the solution of administrative problems.

An extensive report has recently been completed on a \$30,000,000 expansion program proposed by the largest vested enterprise, General Aniline & Film Corporation. This report describes the nature of the buildings and equipment required for the expansion and discusses the estimated costs of the various items, the additional net income expected from their utilization, and the underlying estimates of future demand. The report stresses that the primary responsibility for the investment would lie with the Board of Directors of the Corporation rather than with the Office. A special committee of the Board of Directors is now reconsidering the investment program in the light of the report.

A study is now being made to determine the cost to the Office of vesting, administering, and disposing of parcels of real estate. The object of this study is to ascertain at what point it becomes uneconomic for the Office to vest; or in other words, the minimum amount a parcel of real estate must be worth to cover all costs of handling. Similar studies may be conducted on the costs of handling other types of property should the Office determine as a matter of general policy not to vest where the costs exceed the value of the property.

Under constant study are problems relating to sales policy with respect to vested business enterprises. These studies concern such matters as objectives of sale, sales procedure, terms of sale, and adequacy of bids, both generally and with reference to individual companies.

314200

Representatives of the Division usually take part in intra- and inter-agency meetings on policies regarding patents, trade-marks, inter-custodial conflicts, and other subjects.

Historical Program

The Office of Alien Property Custodian, together with other agencies of the Government, has been requested by the Bureau of the Budget to prepare historical studies on its activities, as part of the War Records Project established by the Bureau in conformance with President Roosevelt's desire for a permanent record of activities of the Government during World War II.

As of September 1, 1946, the Division has completed 13 monographs on various activities of the Office. Several additional monographs are currently in preparation; the most extensive of these is a history of patent policy. The work accomplished thus far brings the historical program about halfway toward completion.

Reports and Services

Annual Report

The President is required under the Trading with the Enemy Act to submit to Congress annual reports on the administration of enemy property. These annual reports have thus far been prepared in the name of the Office of Alien Property Custodian. The fourth Annual Report of the Office, covering the fiscal year ending June 30, 1946, is now under preparation in the Division, and is expected to be printed early this winter.

Other Reports

The Division serves as a source of information about the Office for other branches of the agency itself, for Congress, for other departments of the government, and through the State Department for the governments of foreign countries and international bodies.

Preparation of these special reports should continue to require considerable attention. New legislation and proposed international arrangements regarding enemy property will undoubtedly create the need for a considerable amount of factual reporting to other interested agencies.

Information, Library, and Index Services

The Division prepares all press releases and makes note of publicity received by the Office. It operates a small library

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which functions principally as a procurement agency for books, pamphlets, and other material needed in the Office.

The Division also indexes all orders issued by the Custodian to provide alphabetical, geographical, and other appropriate listings covering, for example, vested properties and persons from whom property was vested. The Division has recently issued a comprehensive 397-page mimeographed alphabetical index of orders. This index is kept up-to-date with quarterly supplements.

Statistics

Statistical Activities

Compilation of statistical data on property controlled by the Office is the largest single program of the Division of Research and Statistics. The statistics are derived from reports on individual cases by the various divisions of the agency and by controlled business enterprises, and are designed to show, under suitable classifications according to type of property, etc., such data as (a) the amount of property vested, (b) the progress of liquidations, (c) the amount of income earned, (d) the appreciation in value of properties, and (e) the amounts returned to title claimants and paid to creditors.

The Division is now engaged in the preparation of statistical data for the fiscal year ending June 30, 1946. More comprehensive data are assembled at the end of each fiscal year than for shorter periods. Most of the raw data needed from other divisions for the development of the statistics have been received, but the volume is so great that the entire project cannot be completed before the end of October.

Meanwhile tentative data as of October 1, 1946, have been compiled, and some of the more important figures are presented below.

An urgent problem to be met is the collection of data on the character and size of claims filed with the Office for the return of property and the payment of debt claims. With the assistance of this Division and the Vested Property Claims Committee, the Office of General Counsel is now analyzing all claims for administrative purposes. The results of this analysis should provide a partial basis for developing current statistics on title claims and debt claims against vested property.

Statistical Information as of October 1, 1946

As of October 1, 1946, the Office of Alien Property Custodian controlled property with a total book value of \$485,000,000. This amount may be classified as follows:

Property controlled through <u>vesting orders</u> and related supervisory orders	\$ 409,000,000
Property controlled through <u>supervisory orders</u> alone	<u>1,500,000</u>
	\$ 410,500,000
Assets (of controlled business enterprises) located in enemy and formerly enemy-occupied countries (except Philippine Islands)	<u>74,500,000</u>
	\$ 485,000,000

Assets located in enemy and formerly enemy-occupied countries are listed separately because of their doubtful value and because control over them has not been established by the Office.

The Custodian's equity in the \$409,000,000 of property controlled through vesting orders (and related supervisory orders in certain cases where less than a majority of the voting stock of a company was vested) amounts to \$290,480,000. The remaining \$118,520,000 represents the equity of other stockholders and creditors in vested business enterprises.

The Custodian's \$290,480,000 equity on October 1, 1946, is classified by type of property on Table 4. This table also shows the value and composition of the vested property as of dates of vesting. Differences between the two sets of figures indicate changes which have taken place in the property during the period of the Custodian's administration. These changes have resulted principally from (1) liquidations and sales, (2) income and appreciation, and (3) distributions of securities and other assets to the Custodian by estates and trusts and enterprises in liquidation.

A reconciliation of net equity vested as of dates of vesting to net equity vested as of October 1, 1946, is presented in Table 5.

314203

The \$290,480,000 net equity of the Custodian may be classified as follows according to nationality of former ownership:

German	\$ 200,570,000	<u>1/</u>
Japanese	64,160,000	
Italian	17,200,000	
Hungarian	2,720,000	
Roumanian	960,000	
Bulgarian	600,000	
Nationals of formerly enemy-occupied countries	4,270,000	
Total	\$ 290,480,000	

In addition to assets on which estimates of dollar value can be made, the following properties have also been vested:

Patents	40,269
Part interests in patents	323
Patent applications	4,617
Unpatented inventions	833
Interests in patent contracts	1,094
Copyright interests (esti- mated number of works) .	500,000
Trade-marks	412
Interests in ships	29

1/ Including approximately \$2,500,000 of property of persons found to have been nationals of Germany at the time of vesting because of residence in Austria, Danzig, and the Sudetenland.

Table 4.--Net Equity Vested, March 11, 1942 to October 1, 1946,
Classified by Type of Property, Valued as of Dates of Vesting and as of
October 1, 1946 (Tentative Estimates)

(In thousands of dollars)

	As of dates of vesting	As of October 1, 1946
Cash 1/	-	102,200
<u>Interests in vested business enterprises:</u>		
Stock	93,780	94,500
Equity in enterprises whose assets or excess assets have been vested	48,640	38,300
Partnership interests	310	300
Bonds	520	350
Notes and accounts receivable	9,070	3,990
	152,320	137,440
<u>Royalties on patents, copyrights, and trade-marks (accrued prior to dates of vesting): 2/</u>		
Patents, patent applications, and patent contracts	5,100	500
Copyrights and copyright contracts	800	-
Trade-marks and trade-mark contracts ..	500	-
	6,400	500
<u>Real property:</u>		
Real Estate	4,970	2,220
Mortgages	870	700
Ground rents, leaseholds, and other interests in real property	20	10
	5,860	2,930
<u>Personal property:</u>		
Tangible personal property	1,050	200
Stocks	2,790	2,090
Bonds	580	2,330
Mortgage participations	290	360
Other securities	110	110
Bank balances	6,180	630
Currency and coin	4,000	-
Notes, claims, and credits	7,540	3,770
Life insurance and annuities	40	40
Miscellaneous contractual interests ..	10	-
	22,590	9,530
<u>Interests in estates and trusts:</u>		
Decedents' estates	19,350	8,610
Trusts under wills	23,090	17,240
Trusts inter vivos	6,400	5,500
Guardianship estates	1,680	1,220
	50,520	32,570
<u>Property in the Philippines</u>	9,220	5,310
Total	246,910	290,480 3/

(See following page for footnotes)

314205

Footnotes to Table 4.

-
- 1/ This figure is net of direct expenses immediately borne by the vested property but not of cash transferred to the administrative expense fund to defray the administrative expenses of the Office. Cash assets of vested business enterprises are excluded inasmuch as they are reflected in the valuation of "interests in vested business enterprises". Certain cash amounts in process of collection are included.
 - 2/ Values stated include only royalties actually collected and royalties on which estimates are available.
 - 3/ This figure is before deduction of cash transferred to the administrative expense fund for defraying the administrative expenses of the Office.

Table 5.--Increase in Value from Dates of Vesting to October 1, 1946, of Net Equity Vested During the Period March 11, 1942 to October 1, 1946

(In thousands of dollars)

Net equity vested as of dates of vesting			246,910
Add: Net appreciation of interests in business enterprises <u>1/</u> ...	28,150		
Income on interests in business enterprises	8,590		
Income on other vested property	<u>10,810</u>	47,550	
Less: Property divested (i.e. re- turned to former owners)	1,610		
Property transferred to the Republic of the Philippines ..	<u>2,370</u>	<u>3,980</u>	<u>43,570</u>
Net equity vested as of October 1, 1946			290,480

1/ Appreciation and depreciation of properties other than interests in business enterprises cannot be computed. Other properties are, therefore, carried at the same values at October 1, 1946, as at dates of vesting.

2656

ENTRY 66-A-816
File TFR 600
Box 53

(11)

TFR-600

APR 13 1949

Dear Mr. Wright:

Reference is made to your letter of March 21, 1949 in which you request information regarding the census of blocked foreign assets as of June 1, 1948.

I am enclosing a copy of Senate Report No. 13, 81st Congress, Report of the Joint Committee on Foreign Economic Cooperation, dated January 27, 1949. On pages 110 - 113 of this document you will find information regarding the census taken by the Treasury Department on Form TFR-600, as well as data tabulated through September 3, 1948 relating to assets of citizens of blocked recipient countries. The TFR-600 census was limited to categories of property still blocked on June 1, 1948. A copy of Public Circular No. 37 relating to instructions for filing reports on Form TFR-600 is enclosed for your information.

If you wish to obtain additional data or explanations, I suggest that you write to the Office of Alien Property, Department of Justice, Washington, D.C., which on September 30, 1948 assumed jurisdiction with respect to property remaining blocked as of that date.

I hope that you will find this information helpful.

Very truly yours,

Paul D. Dickens

Paul D. Dickens
Chief, International Statistics Division

Mr. Carl Major Wright
United Nations
Lake Success, New York

Enclosures

APR 13 1949
mailed
mk

314208

RJS:BJR:jlw 4/8/49
EPR
JMS

RG	56
Entry	66-A-816
File	TFR 600
Box	53



T.F.R. - 600
[Handwritten signature]

April 20, 1949

Mr. Tomer F. Jones, ECA

Mr. Robert J. Schwartz

Participating Countries' Assets in the United States

In response to our telephone conversation of Friday, April 15, I am submitting the following as a proposed response to Congressman Miller's inquiry as to whether participating countries have \$14 million in hidden assets in the United States.

"Foreign assets in the United States are generally treated in two categories, short-term dollar balances and long-term dollar assets. ERP participating countries', including Switzerland's and Portugal's, holdings of such assets for a recent date, November 30, 1948 are estimated as follows:

(In millions of dollars)

Short-term dollar balances	\$2,223
Long-term dollar assets	\$4,735
Total	\$6,958

These data include official holdings of participating countries in the U.S. as well as the U.S. assets of private persons, including non-citizens, residing in the participating countries. Of the \$2,223 million short-term dollar balances as of November 30, 1948, \$665 million represents holdings for official foreign accounts. Swiss and Portuguese short-term dollar balances amounted to \$526 million, and their long-term dollar assets amounted to \$852 million of the above \$2,223 and \$4,735, respectively.

The data presented above have been compiled within the U.S. and are based on extensive reporting and analysis. Short-term dollar balances of "foreigners" are reported monthly to the U.S. Treasury Department through the Federal Reserve Banks by bankers and banking institutions located in the United States. The estimate of long-term dollar assets is based on data obtained by the U.S. Treasury Department in the census of foreign-owned assets in the U.S. as of June 14, 1941 adjusted from time to time by the Department of Commerce on the basis of current information and reports.

As pointed out in a letter dated February 2, 1948 from Secretary Snyder to Senator Vandenberg, it has been concluded as a result of investigations and consultation with the various governments, that free U.S. assets of participating countries are for the most part known to the governments of

314209

File TFR 600
Box 53

-2-

the recipient countries. Blocked assets in the U.S. held directly by or indirectly for citizens of recipient countries were unknown for the most part to the respective governments. A census of such blocked assets as of June 1, 1948 was taken by the U.S. Treasury on Form TFR-600. The results of this census in the necessary detail was made available to the recipient countries. A summary of the tabulations of this census was presented in a letter dated October 29, 1948 from Secretary Snyder to Mr. Charles S. Dewey, Agent General, Joint Committee on Foreign Economic Cooperation. Although there may be certain foreign-owned assets not revealed by these data, e.g., an asset may be concealed in the name of a U.S. resident, or certain foreign-owned property may not be accurately identified as to ownership, e.g., Swiss bank holdings may in fact be partly French-owned, the basis of the estimates of foreign-owned assets is such as to warrant a conclusion that within a relatively small margin of error these data are substantially accurate. Data on the total known assets in the U.S. of the individual countries have been published from time to time by the Treasury Department and were described in considerable detail in 1945 in the bulletin entitled, "Census of Foreign-Owned Assets in the United States". The exchange controls instituted by the participating countries and the detailed information as revealed by the recent TFR-600 census and furnished by the United States would warrant a conclusion that "hidden" assets in relation to "known" assets are not large.

In addition to other dollar assets, these countries have gold on earmark with the Federal Reserve Banks. Such gold reserves are not generally distinguished from other gold reserves of the foreign countries. Gold reserves of the participating countries, without regard to the location of such reserves, are estimated at about \$5,331 million, of which \$1,621 million was held by Switzerland and Portugal. This gold even to the extent that it is held in the U.S. is held for the accounts of central banks and governments and cannot be considered as hidden."

You may want to add a paragraph in your reply to Congressman Miller pointing out the undesirability of forcing European countries to exhaust their gold and dollar assets as a pre-requisite to ERP aid in view of the importance of these assets for maintaining confidence in the local currency and for settling normal foreign trade balances.

cc: Messrs. Schaffner, Willis, Bittermann

314210

RJS:jlw 4/20/49

(Handwritten initials)

RG	56
Entry	66-A-816
File	TF R 600
Box	53

CABLE ADDRESS: UNATIONS NEW YORK

ADRESSE TELEGRAPHIQUE: UNATIONS NEW-YORK

*2-27 SR.F.13
81. X. Longwood
DAP*

receipt

UNITED NATIONS



NATIONS UNIES

DAP.

LAKE SUCCESS, NEW YORK • FIELDSTONE 7-1100

REFERENCE:

21 March 1949

Mr. Paul Dickens,
U.S. Treasury Department,
Washington, D.C.

Dear Mr. Dickens:

From the Report on Recovery Progress and U.S. Aid issued by the Economic Cooperation Administration in February this year I understand that the U.S. Treasury carried out a census of blocked foreign assets as of June 1, 1948, but I have been unable to find the results of this census in any publication of the U.S. Government.

The International Financial and Commercial Relations Section of the United Nations Department of Economic Affairs is at the moment preparing a section of its annual Economic Survey dealing with the liquidation of foreign assets held by the principal creditor countries in Europe and for that reason the information gathered in the course of the above census would be of much value to us. I should therefore be much obliged if you would be so kind to let me have the data in question.

Sincerely yours

Carl Major Wright

Carl Major Wright

314211

ONG for Bavaria
Kreis Traunstein
Box 3

Kreis Traunstein
Box 3
May Bruch

SH 1 of 7

HEADQUARTERS
U.S. FORCES, EUROPEAN THEATER

AG 014.1-1 (Germany) GE

AFO 757 (Main)

7 July 1945

ATTN: HELEN JUNE

SUBJECT: Administration of Military Government in the U.S. Zone in Germany

Commanding General, Eastern Military District
Commanding General, Western Military District

1. PURPOSE: This directive constitutes your directions for the administration of Military Government in your Military District.

2. CONTENTS: This directive is divided into the following Sections, attached hereto:

- Section I General
- Section II Removal of Nazis and Militarists (Section II has already been published as a letter, Hq, ETOUSA, AG 014.1-1 (Germany) GE, dated 29 June 1945)
- Section III Political Activities
- Section IV Civil Service and Administration
- Section V Administration of Justice
- Section VI Public Health and Welfare
- Section VII Education and Religious Affairs
- Section VIII Police and Fire Services
- Section IX Communications
- Section X Industry
- Section XI Food and Agriculture
- Section XII Internal Trade, and rationing, and Price Control
- Section XIII Inter-Zonal and Foreign Trade
- Section XIV Transportation
- Section XV Manpower
- Section XVI Finance
- Section XVII Property Control
- Section XVIII Monuments, Fine Arts and Archives
- Section XIX Reparations, Deliveries and Restitution
- Section XX Displaced Persons and Prisoners of War
- Section XXI Information Control
- Section XXII Demobilization and Disarmament
- Section XXIII Ocean Shipping
- Section XXIV Military Government Legislation
- Section XXV Reports and Information

3. MISSION: You are charged with primary responsibility for the administration of Military Government in your Military District, in accordance with the terms of this directive.

4. APPLICATION: a. This directive applies to the administration of Military Government in the Military Districts of the U.S. Zone after the termination of Combined Command. It is intended to cover the initial period of Military Government in the U.S. Zone. It represents U.S. policy and will be modified as required to conform to agreements reached in the Allied Control Council for Germany.

Heaver Thshman Archives
Germany U.S. zone
ONG for Bavaria
Kreis Traunstein, Box 3

314212

1. PURPOSE: This directive constitutes your administration of Military Government in your Military District.

Page 2 of 7

2. CONTENTS: This directive is divided into the following Sections, attached hereto:

Section I	General
Section II	Removal of Nazis and Militarists (Section II has already been published as a letter, Hq, ETOUSA, AF 014.1-1 (Germany) GE, dated 29 June 1945)
Section III	Political Activities
Section IV	Civil Service and Administration
Section V	Administration of Justice
Section VI	Public Health and Welfare
Section VII	Education and Religious Affairs
Section VIII	Police and Fire Services
Section IX	Communications
Section X	Industry
Section XI	Food and Agriculture
Section XII	Internal Trade, and rationing, and Price Control
Section XIII	Inter-Zonal and Foreign Trade
Section XIV	Transportation
Section XV	Manpower
Section XVI	Finance
Section XVII	Property Control
Section XVIII	Monuments, Fine Arts and Archives
Section XIX	Reparations, Deliveries and Restitution
Section XX	Displaced Persons and Prisoners of War
Section XXI	Information Control
Section XXII	Demobilization and Disarmament
Section XXIII	Ocean Shipping
Section XXIV	Military Government Legislation
Section XXV	Reports and Information

REPORT

3. MISSION: You are charged with primary responsibility for the administration of Military Government in your Military District, in accordance with the terms of this directive.

4. APPLICATION: a. This directive applies to the administration of Military Government in the Military Districts of the U.S. Zone after the termination of Combined Command. It is intended to cover the initial period of Military Government in the U.S. Zone. It represents U.S. policy and will be modified as required to conform to agreements reached in the Allied Control Council for Germany.

CONTINUE b. The functions covered by the following Sections of this directive remain the responsibility of 12th Army Group until you are otherwise notified:

- (1) Section X Industry
- (2) Section XIV Transportation
- (3) Section XX, Part I Prisoners of War
- (4) Section XXI Information Control
- (5) Section XXII Demobilization and Disarmament
- (6) Section XXIII Ocean Shipping

314213

This directive has also been issued to the Commanding General, 12th Army Group, and you will carry out these Sections in accordance with his directions.



P. 3 of 7

SECTION XVIIBLOCKING AND CONTROL OF PROPERTY1. Classes of Property to be Restricted.

You will continue to enforce measures previously taken to prevent, except as permitted under licenses or other instructions previously issued or hereafter issued, any transaction or other dealing in any:

a. Property owned or controlled directly or indirectly in whole or in part by any of the following:

- (1) The German Reich, or any of the Landor, Gauc, or Provinces, or other similar political subdivisions or any agency or instrumentality thereof, including all utilities, undertakings, public corporations or monopolies under control of any of the above;
- (2) Governments, nationals or residents of nations, other than Germany, which have been at war with any of the United Nations at any time since September 1, 1939, and governments, nationals or residents of territories which have been occupied since that date by such nations or by Germany;
- (3) The NSDAP, all offices, departments, agencies and organizations forming part of it, attached to, or controlled by it; their officials, and such of their leading members and supporters as may be known to you or be specified by this Headquarters;
- (4) All persons while held under detention or any other type of custody by you;
- (5) All organizations, clubs or other associations prohibited or dissolved by Military Government;
- (6) Absentee owners of non-German nationality, including United Nations, and neutral governments or their nationals, and Germans outside of Germany;
- (7) Any Kreis, municipality or other similar local subdivision.
- (8) Any institution dedicated to public worship, charity, education or the arts and sciences, which has been used by the Nazi Party to further its interests or to cloak its activities; and

b. Property which has been the subject of transfer under duress, wrongful act of confiscation, dispossession or spoliation, whether pursuant to legislation or by procedures purporting to follow forms of law or otherwise;

c. Works of art or cultural material of value or importance, regardless of the ownership thereof.

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vinces, or other similar political subdivisions of any agency or instrumentality thereof, including all utilities, undertakings, public corporations or monopolies under control of any of the above;

- 8.487
- (2) Governments, nationals or residents of nations, other than Germany, which have been at war with any of the United Nations at any time since September 1, 1939, and governments, nationals or residents of territories which have been occupied since that date by such nations or by Germany;
 - (3) The NSDAP, all offices, departments, agencies and organizations forming part of it, attached to, or controlled by it; their officials, and such of their leading members and supporters as may be known to you or be specified by this Headquarters;
 - (4) All persons while held under detention or any other type of custody by you;
 - (5) All organizations, clubs or other associations prohibited or dissolved by Military Government;
 - (6) Absentee owners of non-German nationality, including United Nations, and neutral governments or their nationals, and Germans outside of Germany;
 - (7) Any Kreis, municipality or other similar local subdivision.
 - (8) Any institution dedicated to public worship, charity, education or the arts and sciences, which has been used by the Nazi Party to further its interests or to cloak its activities; and
- b. Property which has been the subject of transfer under duress, wrongful act of confiscation, dispossession or spoliation, whether pursuant to legislation or by procedures purporting to follow forms of law or otherwise;
 - c. Works of art or cultural material of value or importance, regardless of the ownership thereof.

CONT.

2. Classes of Property to be Taken Under Control.

You will also take into your control, custody or possession and hold and administer until you are otherwise directed, the following categories of property;

- a. Properties indicated in Part 1 a. (1), when the governmental agency using them has been abolished by Military Government.

P. 5 87

b. Such properties indicated in Par 1 a. (2), as are owned by the Japanese Nation or nationals, and by the former Austrian state and nationals.

c. All properties indicated in Par 1 a. (3).

d. All properties indicated in Par 1 a. (4), except furniture, clothing and other personal effects. Personal effects if known to be looted will also be taken under control,

e. All properties indicated in Pars. 1 a. (6) and 1 b.

P. 6 of 7

SECTION XIXREPARATIONS, DELIVERIES AND RESTITUTIONPart 1: Reparations1. Restriction on Exports for Reparation.

Pending the formation of a reparation plan by the Allied Reparation Commission, you will not authorize any exports for reparation account. Such exports as may be authorized by this Headquarters for other accounts will be handled in accordance with the instructions for general exports, even though such exports may later become a charge against reparation. (See Section XIII).

2. Protection of Property for Reparations.

You will take appropriate measures prescribed in this directive to protect from damage any property, which may be subject to transfer for reparation account, pending formulation of an Allied reparation plan.

Part 2: Restitution1. Policy.

It will be the policy in the U. S. Zone to carry out promptly such programs of restitution as may be embodied in Allied agreements. You will be notified of those agreements when they have been accomplished.

2. Report of Property Wrongfully Transferred.

You will forward a report to this Headquarters on any and all claims involving property which has been the subject of transfer under duress or wrongful acts of confiscation, disposition or spoliation, whether pursuant to legislation or by procedure purporting to follow forms of law or otherwise, and which has been or may be impounded or blocked under existing or previous instructions.

3. Handling of Claims for Restitution.

a. You will be advised at a later date of the procedure for settling, adjusting and disposing of claims for restitution.

b. Claims for restitution submitted by German nationals will be disposed of through appropriate German courts when they have been established under the supervision of Allied Military Government.

c. Claimants for restitution, other than Germans, will be advised that claims can be submitted only through the existing government of the territory wherein the property in question had its situs. In general, all transactions relating to restitution will be through the existing governments and not directly by any national thereof.

4. Restrictions on Restitution.

Restitution shall be restricted, initially, to identifiable property wrongfully obtained. Restitution will not be made without the approval of this Headquarters.

314217

2. Protection of Property for Reparations.

You will take appropriate measures prescribed in this directive to protect from damage any property, which may be subject to transfer for reparation account, pending formulation of an Allied reparation plan. P. 7 of 7

Part 2: Restitution

1. Policy.

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4. Restrictions on Restitution.

Restitution shall be restricted, initially, to identifiable property wrongfully obtained. Restitution will not be made without the approval of this Headquarters.

5. Protection of Property Subject to Restitution.

CONT You will take appropriate measures to safeguard property identified as subject to restitution, pending its return.

AS OF JUNE 14, 1941

REGISTER LISTING

OTHER

SUMMARY/TABULATIONS

BLOCK NUMBER	DIS. TRICT	CARD		NAME				NATIONAL WHOSE INTERESTS ARE REPORTED						REPORTING PARTY					
		TY. PE	NUM. BER	AMOUNT		PROPERTY TYPE	SER. ES	TY. PE	BUSI. NESS	NATION. ALITY	LOCA. TION	CITIZEN. SHIP	SERIAL NUMBER	TY. PE	BUSI. NESS	NATION. ALITY	CITIZEN. SHIP	REL. TO NATL.	SERIAL NUMBER
				JUNE 14, 1941	JUNE 1, 1940														
				AGENCY	ROYAL BANK OF CANADA														501002000
				NEW YORK	CITY N Y														501002000
97				AUGUST	ASCHER, SOHN MESSRS			354	410	410	410	5055428	441111111131					501002000	
97				250	205111335			354	410	410	410	5055428	441111111131					501002000	
97				COMMERZ	UND PRIVAT			441	410	410	410	5056907	441111111131					501002000	
97				1448	144811335			441	410	410	410	5056907	441111111131					501002000	
97				EDOUARD	S ZIEGLER			186	480	410	480	6010823	441111111171					501002000	
97				1500	150012556			186	480	410	480	6010823	441111111171					501002000	
				AMER	EXPRESS CO														501002800
				NEW YORK	CITY N Y														501002800
98				BRUNO	MANNHEIM			186	410	410		1004709	34912012022					501002800	
98				1000	100014841			186	410	410		1004709	34912012022					501002800	
98				EVA	DEUTSCH			162	410	410	410	1004711	34912012022					501002800	
98				1000	100014841			162	410	410	410	1004711	34912012022					501002800	
98				SELMA	MOSES S			186	410	410	410	1007307	44112012071					501002800	
97				2550	11335			186	410	410		5028968	44112012031					501002800	
97				GEORG	KOPPE			186	410	410		5029901	44112012031					501002800	
50				3000	11335			186	410	410		5029901	44112012031					501002800	
97				6000	600011335			186	410	410		5029901	44112012031					501002800	
97				C	A DEPAZ			188	243	410	243	5029903	44112012031					501002800	
97				11724	11335			188	243	410	243	5029903	44112012031					501002800	
97				CELSO	VARGAS			186	410	410		5029984	44112012031					501002800	
97				1339	11335			186	410	410		5029984	44112012031					501002800	
97				CARL	ROSENTHAL			186	410	410	410	5043331	44112012031					501002800	
97				2070	207011335			186	410	410	410	5043331	44112012031					501002800	
97				ROBERT	DESRADEL			188	293	410	293	5071076	44112012031					501002800	
97				2349	586611335			188	293	410	293	5071076	44112012031					501002800	
97				330	13135			188	293	410	293	5071076	44112012031					501002800	
97				KOE	T SIN TCHENG			186	760	410	760	5071080	44112012031					501002800	
97				1631	11335			186	760	410	760	5071080	44112012031					501002800	
97				GINDO	SVIERLOFF			186	410	410		5084670	44112012031					501002800	
97				2388	238811335			186	410	410		5084670	44112012031					501002800	
97				AMERICAN	EXPRESS CO			441	120	410	410	5084672	44112012031					501002800	
97				29254	9510011335			441	120	410	410	5084672	44112012031					501002800	
97				14712	41805			441	120	410	410	5084672	44112012031					501002800	
97				63927	13195			441	120	410	410	5084672	44112012031					501002800	
97					4500011445			441	120	410	410	5084672	44112012031					501002800	

RG 131 - Office of Alien Property-Justice Department
Accsn. 53-B-552
Box 19
Location in Suitland - 16-86-41-2-6
Printout Special #335 - 3 - Residents of Germany reported by non-ABA Banks
(often are agencies or branches of foreign banks in NYC)
Appears to be lists of banks with NAMES and AMOUNTS held for each resident
of Germany for whom Bank held property.

GERMAN RESIDENTS
NAME AND PROPERTY REPORTED BY BROKERS & DEALERS
CENSUS OF FOREIGN OWNED PROPERTY
AS OF JUNE 14, 1941.

Special #335-A-4

U. S. TREASURY DEPARTMENT
DIVISION OF MONETARY RESEARCH
FORM DMR-4-5

REGISTER LISTING

OTHER

SUMMARY TABULATIONS

BLOCK NUMBER	DIS-TRICT	CARD		NAME	NATIONAL WHOSE INTERESTS ARE REPORTED										REPORTING PARTY							
		TY-PE	NUM-BER		AMOUNT		PRO-PERTY TYPE	SER-IES	TY-PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	SERIAL NUMBER	TY-PE	BUSI-NESS	NATION-ALITY	CITIZEN-SHIP	REL. TO NAT'L	SERIAL NUMBER		
					JUNE 14, 1941	JUNE 1, 1940														1	2	1
				ABRAHAM & CO 120 BROADWAY NEW YORK CITY															3001	3000	00	
				ALICE STUTNIK 3 142811337			186	410	410	410	7010	990	3431	201	2032				3001	3000	00	
				ARNHOLD & S BILICHROEHLER INC 3 BROAD ST NEW YORK CITY															3022	7500	00	
				ERNST G. BOCK 12000 12000011337			186	410	410	410	7003	132	4422	531	2032				3022	7500	00	
				BARTH J & CO 482 CALIFORNIA ST SAN FRANCISCO CALIF															3050	2000	00	
				HUGO NATHAN 1918 191812667 1005 83311337 36 11337			162	410	410		7000	35	3431	20		32			3050	2000	00	
				DILLON READ & CO 28 NASSAU ST NEW YORK CITY															3233	0000	00	
				RUHEGAS 829000 85100042802 682 42102 5000000 500000042802 5000000 500000042802 682 68213952			472	410	410	410	2012	770	3431	201	2053				3233	0000	00	
				RUHEWOHNUNGSBAU AKT ENGES 1130 113042102 3889000 388900042802 1188 118813952			492	410	410	410	2012	773	3431	201	2053				3233	0000	00	
				DOMINICK AND DOMINICK 115 BROADWAY NEW YORK CITY															3236	4000	00	
				PAUL KAPFF 48 811337 1220 122012887			141	410	410	410	7000	450	3431	201	2032				3236	4000	00	

RG131 - Office of Alien Property-Justice Department
 Accsn. 53-B-552
 Box 19
 Location at Suitland - 16-86-41-2-6
 Printout - Special #335-4 - Residents of Germany reported by Brokers and Dirs

Alphabetical list of brokers and dealers
 Appears each broker and dealer has listed NAME of residents of Germany
 investors and AMOUNT held by each

314220

REGISTER LISTING

OTHER

SUMMARY TABULATIONS

BLOCK NUMBER	DIS. TRICT	CARD TY. PE	NUM. BER	NAME	NATIONAL WHOSE INTERESTS ARE REPORTED					REPORTING PARTY										
					AMOUNT		PROPERTY TYPE	SER. RES.	TY. PE	BUSI- NESS	NATION- ALITY	LOCA- TION	CITIZEN- SHIP	SERIAL NUMBER	TY. PE	BUSI- NESS	NATION- ALITY	CITIZEN- SHIP	REL. TO NAT'L	SERIAL NUMBER
					JUNE 14, 1941	JUNE 1, 1940														
				AETNA CASUALTY & SURETY COMPANY HARTFORD CONN														401051742		
	97			SANNA SIMMERING 4827 482713958	186	410	410	410	808101	448	1201	2035						401051742		
	97			MARION MARKLUND 1219 131613958	186	410	410		808104	448	1201	2035						401051742		
	97			AGRIPPINA SEE FLUSS UND 1440 138213958	3	410	410		808133	448	1201	2035						401051742		
	97			OCEAN VERSICHERUNGS A-G 1129 108613958	448	410	410		808134	448	1201	2035						401051742		
	97			TRANSATLANTISCHE 1438 138313958	348	410	410		808135	448	1201	2035						401051742		
	97			LUUNA GERMANIA ALLEGEMFINE 1552 149313958	448	410	410		808136	448	1201	2035						401051742		
	97			VATERLANDISCHE UND 1614 158313958	448	410	410		808137	448	1201	2035						401051742		
	97			NEUF FRANKFURTER 6279 603913958	348	410	410		808158	448	1201	2035						401051742		
	97			6279 603913958	348	410	410		808158	448	1201	2035						401051742		
	97			AETNA LIFE INSURANCE COMPANY HARTFORD CONN														401081743		
	97			HARRY BORNHEAN 991 147713958	186	410	410	410	811193	448	1201	2035						401081743		
	97			ATLANTIC MUTUAL INSURANCE COM NEW YORK N. Y														402211212		
	97			HAMBURG AMERICAN LIFE 717 107513958	475	410	410	410	8009999	448	1201	2035						402211212		
	97			COMMERCIAL CASUALTY INSURANCE COMPANY NEWARK N. J														404891834		
	97			RUTH RIEG 1319 13951	186	410	410	410	1023406	448	1201	2037						404891834		
	97			285 15271	186	410	410	410	1023406	448	1201	2037						404891834		

RG131 - Office of Alien Property Justice Department
Accsn. 53-B-552
Box 19
Location at Suttland - 16-86-41-2-6
Printout - Special #335-5 - Residents of Germany - reported by Insurance Co
Appears to be Alphabetical list of Insurance Companies with NAMES OF
Residents of Germany who held insurance policies

314221

RESIDENTS OF GERMANY
 ALPHA. LISTING OF NATIONALS WITHIN CENSUS OF FOREIGN OWNED PROPERTY
 AS OF JUNE 14, 1941.

U. S. TREASURY DEPARTMENT
 DIVISION OF MONETARY RESEARCH
 FORM DMR-4-S

REGISTER LISTING

OTHER

SUMMARY TABULATIONS

BLOCK NUMBER	DIS-DRICT	CARD		NAME				NATIONAL WHOSE INTERESTS ARE REPORTED					REPORTING PARTY							
		TY-PE	NUM-BER	AMOUNT		PROPERTY TYPE	SER-IES	TY-PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	SERIAL NUMBER		TY-PE	BUSI-NESS	NATION-ALITY	CITIZEN-SHIP	REL. TO NAT'L	SERIAL NUMBER
				JUNE 14, 1941	JUNE 1, 1940															
						ACME BREWING CO														000160000
	97					ANNA HANSEN		887	410	410	410		342451		321	120	120	51		600160030
						ADLARD X RAY CORPORATI														000345000
						SIEMENS REINHEIM LE		436	410	410	410		2024939		453	410	120	11		600345000
						ADLOFF REALTY COMPANY														000346500
	97					ADAM ADLOFF		887	410	410	410		326836		492	410	120	51		600346510
	97					HEINRICH ADLOFF		887	410	410	410		326837		492	410	120	51		600346510
	97					LUDWIG ADLOFF		186	410	410	410		326835		492	410	120	51		600346510
	97					MARIE KUHLEAI		186	410	410	410		326838		492	410	120	51		600346510
						AETNA PETROLEUM COMPANY														000450000
						GUIDO E EMERIS		129	410	410			813840		448	311	120	35		600450000
						AFGHAN AMERICAN TRADING														000492000
	98					ABDUL RAJID		188	791	410	791		1034787		456	791	129	37		600492000
	97					ABDUL RAJID		186	791	410	791		3063214		456	791	129	51		600492010
						EMILIE A RAJID		185	791	410	791		1034789		456	791	179	137		600492000
						AIRWAY TUBES INC														000702000
						VEREINigte LEICHTE		435	410	410	410		231411		435	120	120	44		600702000
						ALBEKU SHOE MACHINERY C														000871000
	98					ALBEKU SCHUMMARCHIN		496	410	410	410		2042143		453	410	120	37		600871000
	98					HUENUS HASCHINGFAB		496	410	410	410		2042142		453	410	120	37		600871000
						ALES AND FISHER INC														001100000
	97					ANGELH BIERINGE		186	410	410	410		500759		422	120	120	51		101100010

RG181 - Office of Alien Property-Justice Department
 Accsn. 53-B-552
 Box 19
 Printout - Special #335-B - Residents of Germany - ALPHABTICAL
 LISTING OF NATIONALS WITHIN REPORTING PARTY
 Lists company names and then NAMES OF INDIVIDUALS

2

ALPHA LISTING NATIONALS LOCATED IN GERMANY
WITH REPORTING PARTY IDENTIFIED BY CODE
CENSUS OF FOREIGN OWNED PROPERTY

September 13, 1945

AS OF JUNE 14, 1941.

TFR-300

REGISTER LISTING

OTHER

SUMMARY TABULATIONS

BLOCK NUMBER	DIS-TRICT	CARD		NAME					NATIONAL WHOSE INTERESTS ARE REPORTED					REPORTING PARTY											
		TY. PE	NUM BER	AMOUNT		PROPERTY TYPE	SER RES	TY. PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	SERIAL NUMBER	TY. PE	BUSI-NESS	NATION-ALITY	CITIZEN-SHIP	REL TO NAT'L	SERIAL NUMBER						
				JUNE 14, 1941	JUNE 1, 1940																				
						JAKOB		AAI				186	410	410	410					1001224	441	120	120	31	501043000
						CHRISTINA		ABEL S				187	410	410	410					124881	441	120	120	61	507016000
	97					CARL		GABEL				186	410	410						8000110	448	120	120	35	444181591
	98					CLAERE		ABEL				186	410	410	410					103791	441	120	120	74	226000800
	98					WERNER		ABEL				186	410	410	410					103790	441	120	120	74	226000800
						ELLA		M ABELE				187	410	410	410					118443	441	120	96	161	559008500
	97					ADI		ABERLAENDER				186	410	410						5037651	441	120	120	31	201007400
						BELLA		ABRAHAM				187	410	410	410					1014309	441	120	120	61	201003300
	97					ING		R ABRAHAM				186	410	410	410					5078133	441	120	120	31	201007400
	97					ROBERT		ABRAHAM				186	410	410						8063482	441	120	120	31	201006700
	97					WALTER		ABRAHAM				186	410	410						5037663	441	120	120	31	201007400
						GERNARD		ABRAMS				182	410	410	120					8018455	448	120	120	35	444181591
	98					FRITZ		ACKER				187	410	410	410					121554	441	120	120	62	211001700
	97					PAUL		W ACKERMANN				183	410	410						802785	448	120	120	35	433310482
						NEWTON		ADAMS				187	410	410	120					1016370	441	120	120	61	201010200
						AMALIE		ADLER				187	410	410	410					121546	441	120	120	61	211001700
	97					DINA		ADLER				187	410	410	410					124272	441	120	120	61	507016000
	97					JOSEPH		ADLER				186	410	410						5037685	441	120	120	31	201007400
	97					BERTHA		B ADLER S				887	410	410	410					5089525	441	120	120	31	201000800
	97					ADAM		ADLOFF				887	410	410	410					326836	492	410	120	51	600346510
	97					HEINRICH		ADLOFF				887	410	410	410					326837	492	410	120	51	600346510
	97					LUDWIG		ADLOFF				185	410	410	410					123682	441	120	120	61	216000300
	97					LUDWIG		ADLOFF				186	410	410	410					326835	492	410	120	51	600346510
	97					GUSTAV		ADOLPH				186	410	410	410					3080892	431	410	120	51	609390510
	97					GUSTAV		ADOLPH				162	410	410	410					3080866	887	421		51	675138515
	97					GUSTAV		ADOLPH				162	410	410	410					3080878	887	421		51	675138510
	98					S		J AGNON				162	311	410	311					1034219	429	120	120	83	622290000
	97					ANTONIO		M AGUIRRE				188	441	410	441					5059789	441	120	120	31	201006700
	97					ANTONIO		M AGUIRRE				188	441	410	441					6014757	441	120	120	71	201006700

RG131 - Office of Alien Property-Justice Department
Accsn. 53-B-552
Box 19
Printout - Special #335-C - ALPHABETICAL LISTING OF NATIONALS located
in Germany; reporting party identified by code

314223

CENSUS OF FOREIGN OWNED PROPERTY
AS OF JUNE 14, 1941.

TFR-300 NAME & PROPERTY LISTING BY NATIONAL SERIAL #
OF SELF REPORTS BY GERMAN CITIZENS OUTSIDE GERMANY & U.S.
SUMMARY TABULATIONS

REGISTER LISTING

OTHER

BLOCK NUMBER	DIS-TRICT	CARD		NAME				NATIONAL WHOSE INTERESTS ARE REPORTED					REPORTING PARTY						
		TY-PE	NUM-BER	AMOUNT		PROPERTY TYPE	SER-IES	TY-PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	SERIAL NUMBER	TY-PE	BUSI-NESS	NATION-ALITY	CITIZEN-SHIP	REL. TO NAT'L	SERIAL NUMBER
				JUNE 14, 1941	JUNE 1, 1940														
98				JOSEPH	ULLMANN			187	410	480	410	100006	151	120			81	900100006	
98				1024		1395		187	410	480	410	100006	151	120			81	900100006	
98					1024	1629		187	410	480	410	100006	151	120			81	900100006	
98				LUDWIG	KAHN			141	410	611	410	100021	183	410	410	83		900100021	
98				13515		141351	266	141	410	611	410	100021	183	410	410	83		900100021	
98				3256		25591	133	141	410	611	410	100021	183	410	410	83		900100021	
98				BERNHARD	HAURWITZ			162	410	111	410	100104	152	410	410	92		900100104	
98				400		1395		162	410	111	410	100104	152	410	410	92		900100104	
98						7100		162	410	111	410	100104	152	410	410	92		900100104	
98						1617		162	410	111	410	100104	152	410	410	92		900100104	
98				GEORGE	WINTERFELD			195	410	472	410	100185	152	120	120	83		900100185	
98				12650		112261	144	195	410	472	410	100185	152	120	120	83		900100185	
98				WERNER	HASENBERG			162	410	253	410	100458	395	120	120	81		900100458	
98						1617		162	410	253	410	100458	395	120	120	81		900100458	
98				RUDOLF	JAHN			162	410	423	410	100561	395	120	120	81		900100561	
98						1617		162	410	423	410	100561	395	120	120	81		900100561	
98				ING	L STARK			162	410	423	410	100618	395	120	120	81		900100618	
98						1617		162	410	423	410	100618	395	120	120	81		900100618	
98				ERNST	SORTER			162	410	311	410	100740	395	120	120	81		900100740	
98						1617		162	410	311	410	100740	395	120	120	81		900100740	
98				ALFRED	GEGGEL			181	410	480	410	101112	152	120	120	37		900101112	
98				5172		42911	395	181	410	480	410	101112	152	120	120	37		900101112	
98				KONRAD	LIFFER			186	410	251	410	101155	183	410			83	900101155	
98						34741	133	186	410	251	410	101155	183	410			83	900101155	
98				EDUARD	LYSS			162	410	421	410	101329	156	475	475	83		900101329	
98						1617		162	410	421	410	101329	156	475	475	83		900101329	
98						7100		162	410	421	410	101329	156	475	475	83		900101329	
98				HEINRICH	FINKELSTEIN			187	410	244	410	101330	161	120	120	61		900101330	
98				979		1395		187	410	244	410	101330	161	120	120	61		900101330	
98				8522		1630		187	410	244	410	101330	161	120	120	61		900101330	
98				OSCAR	KACH			186	410	480	410	101411	186	120			91	900101411	
98				1032		15131	144	186	410	480	410	101411	186	120			91	900101411	
98				HEINRICH	BIEMER			162	410	311	410	101419	395	120	120	81		900101419	
98						1617		162	410	311	410	101419	395	120	120	81		900101419	
98				RICHARD	FISCHER			159	410	253	410	101602	159	423	410	92		900101602	
98				2300		26901	328	159	410	253	410	101602	159	423	410	92		900101602	
98						7100		159	410	253	410	101602	159	423	410	92		900101602	

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Printout - Special 347 - Part A-TFR-300 by NAME and PROPERTY listing
by National Serial Number (not defined) of Self Reports
by German citizens outside Germany and U.S.

314224

REGISTER LISTING OTHER

BLOCK NUMBER	DISTRICT	CARD NO.	NAME	AMOUNT				PROPERTY TYPE	SERIAL NUMBER	REPORTING PARTY												
				JUNE 14, 1941		JUNE 1, 1940				TY	BUSINESS	NATIONALITY	LOCALITY	CITIZENSHIP	SERIAL NUMBER	TY	BUSINESS	NATIONALITY	LOCALITY	CITIZENSHIP	REL. TO NATL.	SERIAL NUMBER
98			JOSFPH ULLMANN					187	410	480	410	100006	151	20		81	9001000	06	06			
98			1024			1395		187	410	480	410	100006	151	20		81	9001000	06	06			
98						1629		187	410	480	410	100006	151	20		81	9001000	06	06			
98			LUDWIG KAHN			266		141	410	611	410	100021	183	10	1083	9001000	21	21	21			
98			13515			133		141	410	611	410	100021	183	10	1083	9001000	21	21	21			
98			3256			133		141	410	611	410	100021	183	10	1083	9001000	21	21	21			
98			BERNHARD HAURWITZ					152	410	111	410	100104	152	10	1092	9001001	04	04	04			
98			400			1395		152	410	111	410	100104	152	10	1092	9001001	04	04	04			
98						1100		152	410	111	410	100104	152	10	1092	9001001	04	04	04			
98						1617		152	410	111	410	100104	152	10	1092	9001001	04	04	04			
98			GEORGE WINTERFFLD					195	410	472	410	100185	152	20	2083	9001001	85	85	85			
98			12650			144		195	410	472	410	100185	152	20	2083	9001001	85	85	85			
98			WERNER HASENBERG					162	410	253	410	100458	395	1201	2081	9001004	58	58	58			
98						1617		162	410	253	410	100458	395	1201	2081	9001004	58	58	58			
98			RUDOLF JAHN					162	410	423	410	100561	395	1201	2081	9001005	61	61	61			
98						1617		162	410	423	410	100561	395	1201	2081	9001005	61	61	61			
98			ING L STARK					162	410	423	410	100618	395	1201	2081	9001006	18	18	18			
98						1617		162	410	423	410	100618	395	1201	2081	9001006	18	18	18			
98			ERNST SORTER					162	410	311	410	100740	395	1201	2081	9001007	40	40	40			
98						1617		162	410	311	410	100740	395	1201	2081	9001007	40	40	40			
98			ALFRED GEGGEL					181	410	480	410	101112	152	1201	2037	9001011	12	12	12			
98			5172			1395		181	410	480	410	101112	152	1201	2037	9001011	12	12	12			
98			KONRAD LIFFER					186	410	251	410	101155	183	3410	83	9001011	55	55	55			
98						133		186	410	251	410	101155	183	3410	83	9001011	55	55	55			
98			EDUARD LYS					162	410	421	410	101329	156	475	47583	9001013	29	29	29			
98						1617		162	410	421	410	101329	156	475	47583	9001013	29	29	29			
98						7100		162	410	421	410	101329	156	475	47583	9001013	29	29	29			
98			HEINRICH FINKELSTEIN					187	410	244	410	101330	161	1201	2061	9001013	30	30	30			
98			979			1395		187	410	244	410	101330	161	1201	2061	9001013	30	30	30			
98			8522			1630		187	410	244	410	101330	161	1201	2061	9001013	30	30	30			
98			OSCAR KACH					186	410	480	410	101411	186	120	91	9001014	11	11	11			
98			1032			144		186	410	480	410	101411	186	120	91	9001014	11	11	11			
98			HEINRICH BIEWER					162	410	311	410	101419	395	1201	2081	9001014	19	19	19			
98						1617		162	410	311	410	101419	395	1201	2081	9001014	19	19	19			
98			RICHARD FISCHER					159	410	253	410	101602	159	423	41092	9001016	02	02	02			
98			2300			1328		159	410	253	410	101602	159	423	41092	9001016	02	02	02			
98						7100		159	410	253	410	101602	159	423	41092	9001016	02	02	02			
98			3000			144		159	410	253	410	101602	159	423	41092	9001016	02	02	02			
98			358			133		159	410	253	410	101602	159	423	41092	9001016	02	02	02			

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CENSUS OF FOREIGN OWNED PROPERTY
AS OF JUNE 14, 1941.

TFR-300 LISTING OF SECURITY ISSUERS
WITH NAMES & PROPERTY OF GERMAN CITIZENS
REPORTED OUTSIDE GERMANY & U.S.

REGISTER-LISTING

OTHER

SUMMARY TABULATIONS

BLOCK NUMBER	DIS-TRICT	CARD		NAME	NATIONAL WHOSE INTERESTS ARE REPORTED					REPORTING PARTY										
		TY-PE	NUM-BER		AMOUNT		PRO-PERTY TYPE	SER-IES	TY-PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	SERIAL NUMBER	TY-PE	BUSI-NESS	NATION-ALITY	CITIZEN-SHIP	REL TO NAT'L	SERIAL NUMBER
					JUNE 14, 1941	JUNE 1, 1940														
				A F H AMERICAN CORPORATION															000002500	
	98			WERNER MANKIEWITZ			186	410	251	410		1025265	498	461			79	600002500		
	98			2100 2100			186	410	251	410		1025265	498	461			79	600002500		
	98			HANS W FRANK			186	410	461	410		1025267	498	461			79	600002500		
	98			3127 3127			186	410	461	410		1025267	498	461			79	600002500		
	98			HEINRICH FRANK			186	410	461	410		1025268	498	461			79	600002500		
	98			10860 10860			186	410	461	410		1025268	498	461			79	600002500		
	98			12531 12531			186	410	461	410		1025268	498	461			79	600002500		
	98			10385 10385			186	410	461	410		1025268	498	461			79	600002500		
	98			IGNATZ BERGENTHAL			186	410	461	410		1025518	441	461			71	600002500		
	98			3365 3365			186	410	461	410		1025518	441	461			71	600002500		
	98			4280 4280			186	410	461	410		1025518	441	461			71	600002500		
	98			9112 9112			186	410	461	410		1025518	441	461			71	600002500		
	98			MARGARETH LANGE SCHLOTTK			186	410	461	410		1025520	441	461			74	600002500		
	98			3812 3812			186	410	461	410		1025520	441	461			74	600002500		
				ACME CONTINENTAL CORPORATION															000161000	
				HANS ASENDORF			162	410	241	410		1005023	454	231	120	37		600161000		
				3981 3981			162	410	241	410		1005023	454	231	120	37		600161000		
				AIR REDUCTION COMPANY INC															000670000	
	97			PAUL C LUDTKE			186	141	291	410		3056163	432	120	120	51		100670015		
	97			37452 37452			186	141	291	410		3056163	432	120	120	51		100670015		
				ALHEKO SHOE MACHINERY CORPORA															000871000	
	97			AUGUST AMLBORN			186	410	423	410		3070010	453	410	120	51		600871010		
	97			1266 1266			186	410	423	410		3070010	453	410	120	51		600871010		
				ALL AMERICA CARLES AND RADIO															000948000	
	97			HANS D. BACKHOFF			182	410	220	410		8008309	473	120	120	35		600948000		
	97			12209 12209			182	410	220	410		8008309	473	120	120	35		600948000		
				ALLIED STORES CORP															001280000	
	97			LFO FRIESEH			186	410	611	410		3030990	452	120	120	51		101280030		
	97			1202 1277			186	410	611	410		3030990	452	120	120	51		101280030		

Printout Special 348 - Part A-1 - TFR-300 Listing of SECURITY ISSUERS
with NAMES and PROPERTY of German citizens reported
outside Germany and U.S.

RG 131 - Office of Alien Property-Justice Department
Accsn. 53-B-552
Box 21

CENSUS OF FOREIGN OWNED PROPERTY

AS OF JUNE 14, 1941.

TFR-300 LISTING OF ABA BANKS WITH NAMES & PROPERTY
OF GERMAN CITIZENS REPORTED OUTSIDE GERMANY & U.S.

REGISTER LISTING

OTHER

SUMMARY TABULATIONS

BLOCK NUMBER	DIS-TRICT	CARD		NAME				NATIONAL WHOSE INTERESTS ARE REPORTED					REPORTING PARTY						
		TY. PE	NUM-BER	AMOUNT		PROPERTY TYPE	SER-IES	TY. PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	SERIAL NUMBER	TY. PE	BUSI-NESS	NATION-ALITY	CITIZEN-SHIP	REL. TO NAT'L	SERIAL NUMBER
				JUNE 14, 1941	JUNE 1, 1940														
						BANK OF THE MANHATTAN CDM NEW YORK													201000200 201000200
	98					HERMAN JACOBI		186	410	252	410	1009202	441	120	120	74			201000200
	98			39991	39993	1395		186	410	252	410	1009202	441	120	120	74			201000200
	98					EMMA SPIEGELBERG		187	410	480	410	1012698	441	120	120	61			201000200
	98			17662	15712	1630		187	410	480	410	1012698	441	120	120	61			201000200
						O VONHOLLITSCHER		186	410	480	410	1034822	441	120	120	46			201000200
				11593	11593	1395		186	410	480	410	1034822	441	120	120	46			201000200
						HANS GOMPERTZ		186	410	253	410	1040567	441	120	120	37			201000200
				5429	5429	1395		186	410	253	410	1040567	441	120	120	37			201000200
	97					LUIS LOEWENBERG		186	410	253	410	4005920	441	120	120	71			201000200
	97					7100		186	410	253	410	4005920	441	120	120	71			201000200
	97					HANS A BIELING		186	410	760	410	4006029	441	120	120	71			201000200
	97					7100		186	410	760	410	4006029	441	120	120	71			201000200
	97					S. KRAUS		186	410	421	410	5006738	441	120	120	31			201000200
	97			1995	15111	1144		186	410	421	410	5006738	441	120	120	31			201000200
	97			3989	30211	1144		186	410	421	410	5006738	441	120	120	31			201000200
	97					M. FBGROTRIAN FRITS		186	410	862	410	5032166	441	120	120	31			201000200
	97			7937	7937	1133		186	410	862	410	5032166	441	120	120	31			201000200
	97					TUCHMANN GFR		357	410	461	410	5032176	441	120	120	31			201000200
	97			15872	34054	1319		357	410	461	410	5032176	441	120	120	31			201000200
	97			72713	22521	1133		357	410	461	410	5032176	441	120	120	31			201000200
	97					LEOPOLD GADIEL		186	410	611	410	5033572	441	120	120	31			201000200
	97			9259	11654	1133		186	410	611	410	5033572	441	120	120	31			201000200
	97					H. V HEYMAN		141	410	311	410	5033580	441	120	120	31			201000200
	97			1719	22651	1133		141	410	311	410	5033580	441	120	120	31			201000200
	97					AUDOLF GRUENWALD		156	410	253	410	5033603	441	120	120	31			201000200
	97					3871		156	410	253	410	5033603	441	120	120	31			201000200
	97					RUDOLF SCHRIMPF		156	141	241	410	5033609	441	120	120	31			201000200
	97			10	15331	1133		156	141	241	410	5033609	441	120	120	31			201000200
	97					W. G. SAMTER		151	410	461	410	5033623	441	120	120	31			201000200
	97			1250	10801	1133		151	410	461	410	5033623	441	120	120	31			201000200
	97					JOSEPHINEM SCHILLER S		186	410	450	410	5033634	441	120	120	31			201000200
	97					46621		186	410	450	410	5033634	441	120	120	31			201000200
	97					PAUL DRUCKER		186	410	220	410	5033647	441	120	120	31			201000200
	97			2000		1133		186	410	220	410	5033647	441	120	120	31			201000200

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 Printout Special 348 - Part A-2 - TFR-300 Listing of ABA BANKS
 with NAMES and PROPERTY of Germany citizens
 reported outside Germany and U.S.

314227

CENSUS OF FOREIGN OWNED PROPERTY
AS OF JUNE 14, 1941.

REGISTER LISTING

OTHER

SUMMARY TABULATIONS

BLOCK NUMBER	DIS-TRICT	CARD		NAME				NATIONAL WHOSE INTERESTS ARE REPORTED							REPORTING PARTY						
		TY-PE	NUM-BER	AMOUNT		PROPERTY TYPE	SER-IES	TY-PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	SERIAL NUMBER		TY-PE	BUSI-NESS	NATION-ALITY	CITIZEN-SHIP	REL. TO NAT'L	SERIAL NUMBER	
				JUNE 14, 1941	JUNE 1, 1940																
				NEW YORK CITY N Y																501000500	
				AGENCY BANK OF MONTREAL																501000500	
	97			FRITZ		S	ROTHSCHILD	1866	410	111	410	6003	449	441	111	111	31			501000500	
	97			1649			1649	1212				6003	440	441	111	111	31			501000500	
	97			2514			2514	1266				6003	449	441	111	111	31			501000500	
	97			LUCIE			MESSE	1866	410	311	410	6005	433	441	111	111	31			501000500	
	97			3967			4839	1288				6005	433	441	111	111	31			501000500	
	97			1983			2419	1288				6005	433	441	111	111	31			501000500	
	97			984			2409	1266				6005	433	441	111	111	31			501000500	
	97			492			1204	1266				6005	433	441	111	111	31			501000500	
	97			1580			1580	1255				6005	433	441	111	111	31			501000500	
	97			790			790	1255				6005	433	441	111	111	31			501000500	
				AGENCY BANK OF																501001000	
				NEW YORK CITY N Y																501001000	
	97			ERNEST		F	KEMPERLING	1566	410	293	410	6019	189	441	111	111	71			501001000	
	97			1460			1460	1266				6019	180	441	111	111	71			501001000	
	97			HERMAN			HEYMANN	1866	410	111	410	6013	877	441	111	111	71			501002000	
	97			5949			6739	1266				6013	877	441	111	111	71			501002000	
	97			JOHN			WERTHEIM	1866	410	253	410	6014	112	441	111	111	71			501002000	
	97						2835	1288				6014	112	441	111	111	71			501002000	
	97			GERTRUD			KAHN	1866	410	253	410	6014	115	441	111	111	71			501002000	
	97			3080			3080	1266				6014	115	441	111	111	71			501002000	
	97			46			46	1288				6014	115	441	111	111	71			501002000	
	97			JULIUS			WEIL	1866	410	253	410	6016	564	441	111	111	71			501002000	
	97			8245			10007	1266				6016	564	441	111	111	71			501002000	
	97			1500			1500	1288				6016	564	441	111	111	71			501002000	
				AGENCY OF THE STANDARD																501002500	
				NEW YORK CITY N Y																501002500	
	97			GEORG			PERL	1866	410	312	410	6022	537	441	311	311	71			501002500	
	97			3300			3300	1288				6022	537	441	311	311	71			501002500	
	97			FRIEDA			BECKER	1866	410	811	410	6022	538	441	311	311	71			501002500	
	97			2472			10687	1255				6022	538	441	311	311	71			501002500	

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with NAMES and PROPERTY of German Citizens reported
outside Germany and U.S.
RG131 - Office of Alien Property-Justice Department
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Box 21

CENSUS OF FOREIGN OWNED PROPERTY

AS OF JUNE 14, 1941.

REGISTER LISTING

OTHER

SUMMARY TABULATIONS

BLOCK NUMBER	DIS-DISTRICT	CARD		NAME				NATIONAL WHOSE INTERESTS ARE REPORTED						REPORTING PARTY					
		TY-PE	NUM-BER	AMOUNT		PROPERTY TYPE	SER. NOS.	TY-PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	SERIAL NUMBER	TY-PE	BUSI-NESS	NATION-ALITY	CITIZEN-SHIP	REL. TO NAT'L	SERIAL NUMBER
				JUNE 14, 1941	JUNE 1, 1940														
97				ALFONSO		KOCHER		186	410	241	410	5050538	441	1.1.1	1.20	31	5010	50500	
97			469		1353	1133		186	410	241	410	5050538	441	1.1.1	1.20	31	5010	50500	
97				H		KUMMERFELDT		111	410	295	410	6012920	441	1.1.1	1.20	71	5010	50500	
97			612			612		111	410	295	410	6012920	441	1.1.1	1.20	71	5010	50500	
97			109			109		111	410	295	410	6012920	441	1.1.1	1.20	71	5010	50500	
97				ANNA		TROFNDLF		186	410	421	410	6012932	441	1.1.1	1.20	71	5010	50500	
97			1686		1686	1255		186	410	421	410	6012932	441	1.1.1	1.20	71	5010	50500	
97				DEUTSCH ASIATISCHE BANK A				441	410	760	410	6013107	441	1.1.1	1.20	71	5010	50500	
97						4632		441	410	760	410	6013107	441	1.1.1	1.20	71	5010	50500	
97						1175		441	410	760	410	6013107	441	1.1.1	1.20	71	5010	50500	
97						17629		441	410	760	410	6013107	441	1.1.1	1.20	71	5010	50500	
97				KARL		KUHN		198	410	760	410	6013108	441	1.1.1	1.20	71	5010	50500	
97						723		198	410	760	410	6013108	441	1.1.1	1.20	71	5010	50500	
97			608			612		198	410	760	410	6013108	441	1.1.1	1.20	71	5010	50500	
97				MAX		FRANKENBERG		181	410	244	410	6013406	441	1.1.1	1.20	71	5010	50500	
97			802			4912		181	410	244	410	6013406	441	1.1.1	1.20	71	5010	50500	
97			4079			7379		181	410	244	410	6013406	441	1.1.1	1.20	71	5010	50500	
97				FRITZ		GUGGENHEIMER		887	410	252	410	6017444	441	1.1.1	1.20	71	5010	50500	
97						6489		887	410	252	410	6017444	441	1.1.1	1.20	71	5010	50500	
97						8455		887	410	252	410	6017444	441	1.1.1	1.20	71	5010	50500	
97				HUGO		SCHNORR		151	410	253	410	6019360	441	1.1.1	1.20	71	5010	50500	
97			8242			8242		151	410	253	410	6019360	441	1.1.1	1.20	71	5010	50500	
97				ALBRECHT		LFONI		154	410	253	410	6019381	441	1.1.1	1.20	31	5010	50500	
97			8560			8560		154	410	253	410	6019381	441	1.1.1	1.20	31	5010	50500	
97			20280			20280		154	410	253	410	6019381	441	1.1.1	1.20	31	5010	50500	
97			10409			10410		154	410	253	410	6019381	441	1.1.1	1.20	31	5010	50500	
97			19135			19135		154	410	253	410	6019381	441	1.1.1	1.20	31	5010	50500	
97				HANS		HORCHEPT		186	410	231	410	6019499	441	1.1.1	1.20	71	5010	50500	
97						5655		186	410	231	410	6019499	441	1.1.1	1.20	71	5010	50500	
97				MARTHA		FLOERSHEIM		186	410	611	410	6020347	441	1.1.1	1.20	71	5010	50500	
97			88			7342		186	410	611	410	6020347	441	1.1.1	1.20	71	5010	50500	
97						1255		186	410	611	410	6020347	441	1.1.1	1.20	71	5010	50500	
97				SWISS BANK CORP													5010	54500	
97				NEW YORK CITY NY													5010	54500	
97				BENEDIKT		OTTENHEIMER		186	410	421	410	5092136	441	4.2.1	4.2.1	31	5010	54500	
97			3480			2059		186	410	421	410	5092136	441	4.2.1	4.2.1	31	5010	54500	
97				M		MEYERHOFF		186	410	421	410	5092137	441	4.2.1	4.2.1	31	5010	54500	
97						2000		186	410	421	410	5092137	441	4.2.1	4.2.1	31	5010	54500	

RG131 - Office of Alien Property-Justice Department
 Accsn. 53-B-552
 Box 21
 Printout - Special 348 - A-3TFR-300 listing of OTHER than ABA BANKS
 with NAMES and PROPERTY of German Citizens reported
 outside Germany and U.S.

314229

REGISTER LISTING OTHER

BLOCK NUMBER	DIS-DISTRICT	CARD		NAME				NATIONAL WHOSE INTERESTS ARE REPORTED					REPORTING PARTY						
		TY.	NUM-BER	AMOUNT		PROPERTY TYPE	SERIES	TY.	BUSINESS	NATIONALITY	LOCATION	CITIZENSHIP	SERIAL NUMBER	TY.	BUSINESS	NATIONALITY	CITIZENSHIP	REL. TO NAT'L	SERIAL NUMBER
				JUNE 14, 1941	JUNE 1, 1940														
97						MARIA	ABEL			168	410	491	410	8007526	441	1201	2035	4350	50612
97						MORITZ	ABELES			186	410	253	410	6005729	441	1201	2031	5010	02800
97						MORITZ	ABELES			186	410	253	410	6013292	441	1201	2071	2010	07400
97						PAUL	ABELMAN			162	410	291	410	5037285	441	1201	2031	2010	07400
97						CHARLES	ABENHEIMER			186	410	480	410	5076400	441	1201	2031	2010	07200
97						CHARLES	ABENHEIMER			186	410	480	410	6015424	441	1201	2071	2010	07200
97						SIEGFRIED	ABRAHAM			186	410	461	410	504513	441	1201	2031	2110	01600
97						SIEGBERT	ABRAMCZYK			186	410	811	410	7003152	442	2831	2032	3022	75000
97						HERTHOLD	ACKERMANN			186	410	480	410	5033668	441	1201	2031	2010	00200
97						WILLY	ACKERMANN			186	410	244	410	5071671	441	1201	2031	2010	00800
97						EVA	T ADAM			186	410	480	410	6021978	441	1201	2071	2010	17100
97						URBILA	ADER			186	410	442	410	5104176	441	1201	2031	2010	17700
97						LUIS	ANDRESEN			181	410	200	410	510433	441	1201	2035	4484	32691
97						OTTO	ANTONI			132	410	432	410	5083062	441	1201	2031	2010	06700
97						OTTO	ANTONI			186	410	432	410	1022970	441	1201	2037	1743	30000
97						ALFRED	ARCHENHOLD			187	410	421	410	5075114	441	1201	2031	2010	00800
97						ALMA	H ARCHENHOLD			187	410	462	410	1011448	441	1201	2061	2010	07400
97						KURT	ARCHENHOLD			187	410	421	410	1014539	441	1201	2061	2010	07400
97						REGINA	ARCHENHOLD			187	410	421	410	1011449	441	1201	2061	2010	07400
97						ALFRED	V ABEND			181	410	890	410	1009248	441	1201	2061	2010	07400
97						ADOLF	ARFELD			188	410	442	410	510437	441	1201	2031	4484	32691
97						HEINRICH	H ARNHOLD			186	410	473	410	5066473	441	1201	2031	2010	17000
97						HEINRICH	H ARNHOLD			186	410	473	410	7007499	442	2831	2032	3022	75000
97						G	O ARNOLD			186	410	750	410	5067523	441	1201	2031	2010	03000
97						RICHARD	ARNOLD			141	410	311	410	8088147	441	1201	2031	2010	00800
97						ERNST	ARON			186	410	462	410	6035773	441	1201	2071	2010	00800
97						ERNST	ARON			138	410	462	410	501668	441	1201	2031	2530	06000
97						JULIUS	I ARON			186	410	461	410	5000065	441	1201	2031	2010	02300
97						JULIUS	I ARON			186	410	461	410	5000733	441	1201	2031	2010	02300

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RG131 - Office of Alien Property-Justice Department
Accsn. 53-B-552
Box 21
Printout - Special - Part C - TFR-300 - ALPHABETICAL LISTING OF
ALL GERMAN CITIZENS reported outside Germany and U.S.
Reporting Party identified by Serial Number

CENSUS OF FOREIGN OWNED PROPERTY
AS OF JUNE 14, 1941.

REGISTER LISTING OTHER

BLOCK NUMBER	DIS-DISTRICT	CARD		NAME				NATIONAL WHOSE INTERESTS ARE REPORTED						REPORTING PARTY								
		TY. PE	NUM-BER	AMOUNT		PROPERTY TYPE	SERIES	TY. PE	BUSINESS	NATIONALITY	LOCATION	CITIZENSHIP	SERIAL NUMBER		TY. PE	BUSINESS	NATIONALITY	CITIZENSHIP	REL. TO NAT'L	SERIAL NUMBER		
				JUNE 14, 1941	JUNE 1, 1940																	
				ABRAHAM & CO 120 BROADWAY NEW YORK CITY																	3001	30000
	97			ALBERT FEIS				143	410	253	410		7010955	34	31201	2032					3001	30000
	97			CHARLOTTE FUERSTENBERG				186	410	521	410		7010954	34	31201	2032					3001	30000
	97			CARL HIRSCH				186	410	251	410		7010989	34	31201	2032					3001	30000
	97			MAX L MAINZ				186	410	611	410		7012264	34	31201	2032					3001	30000
	97			FRANZ MICHAELIS				186	410	311	410		7011000	34	31201	2032					3001	30000
	97			JOSEF NEUMANN				186	410	461	410		7010322	34	31201	2032					3001	30000
	97			RUTH ROSENBERG				186	410	421	410		7010995	34	31201	2032					3001	30000
	97			GERHARD WEINBERG				183	410	450	410		7010973	34	31201	2032					3001	30000
				ARNHOLD & S BLEICHROEDER INC 30 BROAD ST NEW YORK CITY																	3022	75000
	97			SIEGBERT ABRAMCZYK				186	410	811	410		7003152	44	22531	2032					3022	75000
	97			WALTER ALKAN				186	410	611	410		7003151	44	22531	2032					3022	75000
	97			HEINRICH H ARNHOLD				181	410	473	410		7007499	44	22531	2032					3022	75000
	97			LUDWIG BLUMENTHAL				186	410	241	410		7003198	44	22531	2032					3022	75000
	97			WALTER DAVID				127	410	253	410		7003196	44	22531	2032					3022	75000
	97			EMANUEL FREUNDLICH				186	410	480	410		7003858	44	22531	2031					3022	75000
	97			ELSE FRIEDLANDER S				181	410	311	410		7003134	44	22531	2032					3022	75000
	97			HANS FRIEDMANN				186	410	253	410		7003194	44	22531	2032					3022	75000
	97			EMIL HERZFELDER				186	410	311	410		7003191	44	22531	2032					3022	75000
	97			GERTRUD LISSAUER				186	410	311	410		7003944	44	22531	2032					3022	75000
	97			ALFRED MEYER				186	410	480	410		7003182	44	22531	2032					3022	75000
	97			JOHANNA NETTER				186	410	253	410		7008207	44	22531	2032					3022	75000
	97			ARTHUR NEY				162	410	311	410		7006412	44	22531	2032					3022	75000
	97			H RODE				186	410		410		7003122	44	22531	2032					3022	75000

RG131 - Office of Alien Property-Justice Department
Accsn. 53-B-552
Box 21
Printout - Special 348 - Part B-4 - TFR-300 listing of BROKERS and DEALERS with NAMES of German citizens reported outside Germany and U.S. arranged ALPHABETICALLY within each reporting party

B forms are carbon copies of A printouts Original is A-4

314231

REGISTER LISTING OTHER

BLOCK NUMBER	DIS. TRICT	CARD		NAME				NATIONAL WHOSE INTERESTS ARE REPORTED						REPORTING PARTY					
		TY. PE	NUM. BER	AMOUNT		PROPERTY TYPE	SER. IES	TY. PE	BUSI- NESS	NATION- ALITY	LOCA- TION	CITIZEN- SHIP	SERIAL NUMBER	TY. PE	BUSI- NESS	NATION- ALITY	CITIZEN- SHIP	REL. TO NAT'L	SERIAL NUMBER
				JUNE 14, 1941	JUNE 1, 1940														
				FEDERAL INSURANCE COMPANY															408220582
				JERSEY CITY N J															408220582
	97			CARLOWITZ AND CO				353	410	760	410	8011302	448	120	120	35			408220582
				THE HOME INSURANCE COMPANY															410340674
				NEW YORK N Y															410340674
	97			EUGENIO LANG				186	410	297	410	8011442	448	120	120	35			410340674
				INSURANCE COMPANY OF NORTH AMERICA PHILADELPHIA PA															411370694
				GLEVE ADOLPH AND CO				300	410	760	410	810944	448	120	120	35			411370694
				METROPOLITAN LIFE INSURANCE COMPANY NEW YORK N Y															415662464
				ALFREDO REST				182	410	243	410	8006566	448	120	120	35			415662464
	97			TRAVELERS INSURANCE COMPANY HARTFORD CONN															425282223
				FELIX H HEIMANN				186	410	450	410	807821	448	120	120	35			425282223
	97			MAGDALENE L JASSE				186	410	450	410	807833	448	120	120	35			425282223
	97			RAPHAEL KANN				186	410	311	410	807837	448	120	120	35			425282223
	97			BERTHA H ROGER				186	410	480	410	807883	448	120	120	35			425282223
				AETNA LIFE INS CO HARTFORD CO															431030042
	97			PAUL C LUDTKE				137	141	291	410	808114	448	120	120	35			431030042
				CONFEDERATION LIFE ASSOCIATION TORONTO CAN															433302662
				KURT S KINDERMANN				186	410	421	410	8011732	448	111	111	35			433302662

RG131 - Office of Alien Property - Justice Department
Accsn. 53-B-552
Box 21
Printout - Special 348 - Part B-5 - TFR-300 listing of INSURANCE COMPANIES with NAMES of German citizens reported outside Germany and U.S., arranged ALPHABETICALLY within each reporting party

B Forms are carbon copies of A printouts Original is A-5

AS OF JUNE 14, 1941.

REGISTER LISTING

OTHER

SUMMARY TABULATIONS

BLOCK NUMBER	DIS-TRICT	CARD		NAME	NATIONAL WHOSE INTERESTS ARE REPORTED										REPORTING PARTY									
		TY-PE	NUM-BER		AMOUNT		PROPERTY TYPE	SER-IES	TY-PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	SERIAL NUMBER		TY-PE	BUSI-NESS	NATION-ALITY	CITIZEN-SHIP	REL. TO NATL	SERIAL NUMBER			
					JUNE 14, 1941	JUNE 1, 1940																		
				ACME BREWING CO																	000150000			
	97			ANNA HANSEN			887	410	410	410	410		342451	321	120	120	51				600160030			
	97			740 740 12773			887	410	410	410	410		342451	321	120	120	51				600160030			
				AULANCO X RAY CORPORATION																				000345000
				SIEMENS REINIGER WERKE			436	410	410	410	410		2024939	453	410	120	11				600345000			
				16172			436	410	410	410	410		2024939	453	410	120	11				600345000			
				30710 30710 13952			436	410	410	410	410		2024939	453	410	120	11				600345000			
				ADLOFF REALTY COMPANY																				000346500
	97			LUDWIG ADLOFF			186	410	410	410	410		326835	492	410	120	51				600346510			
	97			1847 1847 12663			186	410	410	410	410		326835	492	410	120	51				600346510			
	97			ADAM ADLOFF			887	410	410	410	410		326836	492	410	120	51				600346510			
	97			1647 1647 12663			887	410	410	410	410		326836	492	410	120	51				600346510			
	97			HEINRICH ADLOFF			887	410	410	410	410		326837	492	410	120	51				600346510			
	97			1188 1188 12663			186	410	410	410	410		300763	422	120	120	51				101100010			
	97			LEOPOLD BIERINGER			186	410	410	410	410		300764	422	120	120	51				101100010			
	97			2969 2969 12663			186	410	410	410	410		300764	422	120	120	51				101100010			
	97			MOSES BIERINGER			186	410	410	410	410		300765	422	120	120	51				101100010			
	97			1180 1180 12663			186	410	410	410	410		300765	422	120	120	51				101100010			
				ALLIED CHEMICAL AND DYE CORP.																				001130000
	97			FREDERICH VON SCHMIDT			186	410	410	410	410		3059832	431	462	120	51				101130015			
	97			113 381 3953			186	410	410	410	410		3059832	431	462	120	51				101130015			
	97			4631 4631 12663			186	410	410	410	410		3059832	431	462	120	51				101130015			
				ALLIED LINEN INDUSTRIES INC																				001217000
	97			WEBER CARL AND CO G M B H			4	410	410	410	410		3069119	423	410		56				601217010			
	97			12663			4	410	410	410	410		3069119	423	410		56				601217010			
	97			STELLING GEORGE GRAHER			5	410	410	410	410		3069120	423	410		51				601217010			
	97			1500 1500 12663			3	410	410	410	410		3069120	423	410		51				601217010			
	40			1500 1500 12663			3	410	410	410	410		3069120	423	410		51				601217010			
	97			HANUSTICKEREI			4	410	410	410	410		3069121	423	410	120	51				601217010			
	97			2250 2250 12663			4	410	410	410	410		3069121	423	410	120	51				601217010			
	40			2250 2250 12663			4	410	410	410	410		3069121	423	410	120	51				601217010			

RG 131 - Office of Alien Property-Justice Department
Accsn. 53-B-552
Box 18
Printout - Special #335-A-1 - Residents of Germany - NAME and Property Reported by SECURITY ISSUERS
Appears to be alphabetical by name of company, then by German owners, with amounts under each name
Appears to give AMOUNTS for each German investor

314233

Special 183-A

U.S. TREASURY DEPARTMENT
DIVISION OF MONETARY RESEARCH
FORM DMH-45

December 15, 1943
CENSUS OF FOREIGN OWNED PROPERTY
AS OF JUNE 14, 1941

TFR-300 Series AB and C mass and property listing
by serial number-location enemy countries
personal property only
SUMMARY TABULATIONS

REGISTER LISTING OTHER

BLOCK NUMBER	DISTRICT	CARD		NAME				NATIONAL WHOSE INTERESTS ARE REPORTED					REPORTING PARTY										
		TY. PE	NUM BER	AMOUNT		PROPERTY TYPE	SER. NO.	TY. PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	SERIAL NUMBER	TY. PE	BUSI-NESS	NATION-ALITY	CITIZEN-SHIP	REL. TO NATL.	SERIAL NUMBER				
				JUNE 14, 1941	JUNE 1, 1940														1941	VALUE IN HUNDREDS			
01	1	1	1	\$423	SELECTA	SCHLECHTA	CHAF	439	424	410	410	100123											
01	1	1	2	\$423	AND CO	COMP		439	424	410	410	100123											
01	1	1	1	574		1256	14811	439	424	410	410	100123											
01	1	1	1	\$423	FRANZ	SCHLECHTA		139	424	410	424	100137											
01	1	1	1	3454		5127	14811	139	424	410	424	100137											
12	1	1	1	\$534	JULIUS	SCHINDLER		161	410	410	410	101239											
12	1	1	1	500			14821	161	410	410	410	101239											
07	1	1	1	P456	RUTH	H PALMER		181	450	450	120	101466											
07	1	1	1	15			1514821	181	450	450	120	101466											
08	1	1	1	H110	VELKO	M BAROFF		196	436	436	436	102834											
08	1	1	1	4000			400014841	196	436	436	436	102834											
08	1	1	1	H110	VELKO	M BAROFF		186	436	436	436	102860											
08	1	1	1	3000			300014841	186	436	436	436	102860											
03	1	1	1	H200	MARTHA	HAAG		183	410	410	410	103464											
03	1	1	1				14151	183	410	410	410	103464											
03	1	1	1				14261	183	410	410	410	103464											
03	1	1	1				14811	183	410	410	410	103464											
06	1	1	1	M625	BUILIO	MARCONI		182	450	450	120	108496											
06	1	1	1	10100			1010014831	182	450	450	120	108496											
06	1	1	1	H623	FERDINAND	HORST		186	410	410	410	108803											
06	1	1	1	152			15214971	186	410	410	410	108803											
06	1	1	1	H200	ELSI E	J HECK		181	410	410	120	108825											
06	1	1	1	100			14841	181	410	410	120	108825											
32	1	1	1	T232	MITSUJI	TAKATSUKA		151	750	750	750	109204											
32	1	1	1	245			91114971	151	750	750	750	109204											
32	1	1	1	T253	MASUKICHI	TSUMOTO		114	750	750	750	109219											
32	1	1	1	4065			406514831	114	750	750	750	109219											
32	1	1	1	K660	TAMINOSUK	KURIHARA		184	961	750	750	109289											
32	1	1	1	150			15014841	184	961	750	750	109289											
11	1	1	1	F660	JAKOB	FRIER		187	431	431	431	109563											
11	1	1	1	1			114821	187	431	431	431	109563											
11	1	1	1	328			32814841	187	431	431	431	109563											
06	1	1	1	S550	JOHANNA	L SIMON	5	186	410	410	410	109648											
06	1	1	1	322			22214821	186	410	410	410	109648											
12	1	1	1	R552	SOPHIE	L RAMUNKE		187	410	410	410	109891											
12	5	1	1	R200	ANNA	L DUCK		187	410	410	410	109891											
12	1	1	1	125			14821	187	410	410	410	109891											
12	1	1	1	S536	KAROLEIN	SCHROEDER		187	410	410	410	109892											
12	5	1	1	R200	ANNA	L DUCK		187	410	410	410	109892											
12	1	1	1	125			14821	187	410	410	410	109892											

RG 131 - Office of Alien Property-Justice Department
Accsn. 532-B-552 Box 18
Printout - Special 183-A -
NAME and PROPERTY listing by serial number-location enemy countries
Appears to be a list of NAMES and AMOUNT of property held, compiled
from three TFR-300 Forms, Series A, B, and G (see urhc)
Names are listed by serial numbers (unidentified)

314235

REGISTER LISTING

OTHER

BLOCK NUMBER	DIS-DISTRICT	CARD		NAME							NATIONAL WHOSE INTERESTS ARE				
		TY-PE	NUM-BER	AMOUNT				PROPERTY TYPE	SER-IES	TY-PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	
				JUNE 14, 1941		JUNE 1, 1940									
	01	1	1	\$ 423		SELECTA		SCHLECHTA		GRAE		439	424	410	410
	01	1	2	\$ 423		AND		CORP		CORP		439	424	410	410
	01				674			1266	1481	1		439	424	410	410
	01	1	1	\$ 423		FRANZ		SCHLECHTA				139	424	410	424
	01				3464			5127	1481	1		139	424	410	424
	12	1	1	\$ 534		JULIUS		SCHINDLER				161	410	410	410
	12				500				1482	1		161	410	410	410
	07	1	1	P 456		RUTH		B PALMER				181	450	450	120
	07				15			15	1482	1		181	450	450	120
	08	1	1	B 110		VELKO		M BAROFF				196	436	436	436
	08				4000			4000	1484	1		196	436	436	436
	08	1	1	B 110		VELKO		M BAROFF				186	436	436	436
	08				3000			3000	1484	1		186	436	436	436
	03	1	1	H 200		MARTHA		HAA G				183	410	410	410
	03								1415	1		183	410	410	410
	03								1426	1		183	410	410	410
	03								1481	1		183	410	410	410
	03								1482	1		183	410	410	410
	06	1	1	H 625		DUILIO		MARCONI				182	450	450	120
	06				10100			10100	1483	1		182	450	450	120
	09	1	1	H 623		FERDINAND		HOPST				186	410	410	410
	09				152			152	1497	1		186	410	410	410
	09	1	1	H 200		ELSIE		J HECK				181	410	410	120
	09				100				1484	1		181	410	410	120
	32	1	1	T 232		MITSUJI		TAKATSUKA				151	750	750	750
	32				245			911	1497	1		151	750	750	750
	32	1	1	T 253		MASUKICHI		TSUMOTO				114	750	750	750

RG131 - Office of Alien Property-Justice Department
 Accsn. 53-B-552
 Box 18
 Printout - Special 183-A - Series A, B, G
 NAME and PROPERTY listing by serial number locatin enemy countries
 Full size photocopy (on 2 pages)

1943

FOREIGN OWNED PROPERTY

OF JUNE 14, 1941

TFR-300 Series AB and G name and property listing
by serial number-location enemy countries
personal property only SUMMARY TABULATIONS

NATIONAL WHOSE INTERESTS ARE REPORTED						REPORTING PARTY					
TY- PE	BUSI- NESS	NATION- ALITY	LOCA- TION	CITIZEN- SHIP	SERIAL NUMBER	TY- PE	BUSI- NESS	NATION- ALITY	CITIZEN- SHIP	REL. TO NAT'L	1941 VALUE IN HUNDREDS
4	39	424	410	410	100123					37	
4	39	424	410	410	100123					37	
4	39	424	410	410	100123					37	6
1	39	424	410	424	100137					37	
1	39	424	410	424	100137					37	34
1	61	410	410	410	101239					83	
1	61	410	410	410	101239					83	5
1	81	450	450	120	101466					83	
1	81	450	450	120	101466					83	
1	96	436	436	436	102834					79	
1	96	436	436	436	102834					79	40
1	86	436	436	436	102860					79	
1	86	436	436	436	102860					79	30
1	83	410	410	410	103464					79	
1	83	410	410	410	103464					79	
1	83	410	410	410	103464					79	
1	83	410	410	410	103464					79	
1	82	450	450	120	108496					91	
1	82	450	450	120	108496					91	101
1	86	410	410	410	108803					31	
1	86	410	410	410	108803					31	1
1	81	410	410	120	108825					75	
1	81	410	410	120	108825					75	1
1	51	750	750	750	109204					83	
1	51	750	750	750	109204					83	2
1	14	750	750	750	109219					83	

314237

REPRODUCED FROM THE NATIONAL ARCHIVES

GERMAN RESIDENTS - NAMES AND PROPERTY
CENSUS OF FOREIGN OWNED PROPERTY
AS OF JUNE 14, 1941

U.S. TREASURY DEPARTMENT
DIVISION OF MONETARY RESERVE
FORM DMP-45

REGISTER LISTING

OTHER

SUMMARY TABULATIONS

333 A

BLOCK NUMBER	DIS. TRACT	CARD NUMBER		NAME	AMOUNT				NATIONAL WHOSE INTERESTS ARE REPORTED				REPORTING PARTY						
		PER	SER		JUNE 14, 1941		JUNE 13, 1940		TY. OF INTEREST	BUS. INTEREST	NATIONALITY	LOCALITY	CITIZENSHIP	SERIAL NUMBER	TY. OF INTEREST	BUS. INTEREST	NATIONALITY	LOCALITY	SERIAL NUMBER
					1941	1940	1941	1940											
98	98			PETER					187	410	410	410	100001	151	120		81	900100001	
				1800			16291		187	410	410	410	100001	151	120		81	900100001	
98	98			DOROTHEE					187	410	410	000	100004	151	120		81	900100004	
				1807			16291		187	410	410	000	100004	151	120		81	900100004	
98	98			JOSEPH					187	410	410	410	100008	151	120		81	900100008	
				1000			16291		187	410	410	410	100005	151	120		81	900100005	
98	98			JOSEPH					187	410	410	410	100007	151	120		81	900100007	
				1024			16291		187	410	410	410	100007	151	120		81	900100007	
98	98			WILHELM					186	410	410	410	100011	195	120	12081	81	900100011	
				16171					186	410	410	410	100011	195	120	12081	81	900100011	
98	98			FRIEDA					187	410	410	120	100025	153	120	12062	81	900100025	
				4495			16290	29201	187	410	410	120	100025	153	120	12062	81	900100025	
98	98			MORITZ					151	410	410	410	100035	141	120	12083	81	900100035	
				5500			15271		151	410	410	410	100035	141	120	12083	81	900100035	
98	98			WILHELM					187	410	410	410	100038	151	120		81	900100038	
				13000			16291		187	410	410	410	100038	151	120		81	900100038	
98	98			FRANZISKA					187	410	410	410	100076	151	120	12083	81	900100076	
				1364			1441		187	410	410	410	100076	151	120	12083	81	900100076	
98	98			FRIEDRICH					187	410	410	410	100080	151	120	12083	81	900100080	
				1060			16290	17601	187	410	410	410	100080	151	120		62	900100080	
98	98			MIMI					187	410	410	410	100084	151	120		62	900100084	
				2162			16290	17602	187	410	410	410	100084	151	120		62	900100084	
98	98			JOHANN					187	410	410	410	100085	151	120		62	900100085	
				2162			16290	17603	187	410	410	410	100085	151	120		62	900100085	
98	98			ALBERT					187	410	410	410	100086	151	120		62	900100086	
				2162			16290	17604	187	410	410	410	100086	151	120		62	900100086	
98	98			ERDOLF					187	410	410	410	100087	151	120		62	900100087	
				1060			16290	17605	187	410	410	410	100087	151	120		62	900100087	
98	98			AGNES					187	410	410	410	100088	151	120		81	900100088	
				1100			16291		187	410	410	410	100088	151	120		81	900100088	
98	98			VIKTORIA					187	410	410	410	100089	151	120		81	900100089	
				1100			16291		187	410	410	410	100089	151	120		81	900100089	

RG131 - Office of Alien Property-Justice Department
 Accsn. 53-B-552
 Box 18
 Printout - 333-A (2) - German/Residents - NAME AND PROP ERTY
 Augst 10, 1935

Appears to be a list of NAMES and AMOUNTS of property held in U.S.
 Date in upper right hand corner appears to be in error; date is
 date special compilation was run - should be August 10, 1945
 Data is as of June 1940 and June 1941

314238

REGISTER LISTING OTHER

BLOCK NUMBER	DIS-TRICT	CARD		NAME				NATIONAL WHOSE INTERESTS ARE REPORTED					REPORTING PARTY						
		TY-PE	NUM-BER	AMOUNT		PROPERTY TYPE	SER-IES	TY-PE	BUSI-NESS	NATION-ALITY	LOCA-TION	CITIZEN-SHIP	SERIAL NUMBER	TY-PE	BUSI-NESS	NATION-ALITY	CITIZEN-SHIP	REL. TO NAT'L	SERIAL NUMBER
				JUNE 14, 1941	JUNE 1, 1940														
97				MARIA		ABEL		168	410	491	410	8007526	448	120	120	35	4350	506	12
97				MORITZ		ABELÈS		186	410	253	410	6005729	441	120	120	31	5010	028	00
97				MORITZ		AHELES		186	410	253	410	6013292	441	120	120	71	2010	074	00
97				PAUL		ABELMAN		162	410	291	410	5037285	441	120	120	31	2010	074	00
97				CHARLES		ABENHEIMER		186	410	480	410	5076400	441	120	120	31	2010	072	00
97				CHARLES		ABENHEIMER		186	410	480	410	6015424	441	120	120	71	2010	072	00
97				RIEGFRIED		ABRAHAM		186	410	461	410	504513	441	120	120	31	2110	016	00
97				SIEGBERT		ABRAMCZYK		186	410	811	410	7003152	442	253	120	32	3022	750	00
97				HERTHOLD		ACKERMANN		186	410	480	410	5033668	441	120	120	31	2010	002	00
97				WILLY		ACKERMANN		186	410	244	410	5071871	441	120	120	31	2010	002	00
97				EVA	T	ADAM		186	410	480	410	6021978	441	120	120	71	2010	171	00
97				URBULA		ADER		186	410	442	410	5104176	441	120	120	31	2010	177	00
97				LUIS		ANDRESEN		114	410	220	410	5083062	441	120	120	31	2010	067	00
98				OTTO		ANTONI		132	410	432	410	1022970	442	120	120	37	1743	300	00
97				OTTO		ANTONI		186	410	432	410	5075114	441	120	120	31	2010	008	00
				ALFRED		ARCHENHOLD		187	410	421	410	1011448	441	120	120	61	2010	074	00
				ALMA	H	ARCHENHOLD		187	410	462	410	1014539	441	120	120	61	2010	074	00
				KURT		ARCHENHOLD		187	410	421	410	1011449	441	120	120	61	2010	074	00
				REGINA		ARCHENHOLD		187	410	421	410	1009248	441	120	120	61	2010	074	00
97				ALFRED	V	AREND		181	410	890	410	810437	448	111	111	35	4484	326	91
97				ADOLF		ARFELD		182	410	442	410	5046473	441	120	120	31	2010	170	00
97				HEINRICH	H	ARNHOLD		181	410	473	410	7007499	442	253	120	32	3022	750	00
97				HEINRICH	H	ARNHOLD		186	410	473	410	5047523	441	120	120	31	2010	030	00
97				G	O	ARNOLD		186	410	750	410	5088147	441	120	120	31	2010	008	00
97				RICHARD		ARNOLD		141	410	311	410	8035773	441	120	120	71	2010	008	00
97				ERNST		ARON		186	410	462	410	501668	441	120	120	31	2530	060	00
97				ERNST		ARON		138	410	462	410	5000065	441	120	120	31	2010	023	00
97				JULIUS	I	ARON		186	410	461	410	5000733	441	120	120	31	2010	023	00

2

RG131 - Office of Alien Property-Justice Department
Accsn. 53-B-552
Box 21
Printout - Special - Part C - TFR-300 - ALPHABETICAL LISTING OF
ALL GERMAN CITIZENS reported outside Germany and U.S.
Reporting Party identified by Serial Number

314239

*Needs
Missing
files*

HEADQUARTERS, U. S. FORCES, EUROPEAN THEATER
Office of Military Government (U. S. Zone)
Displaced Persons Branch

Camp Reports
See [unclear]

GE-DP 383.7 (0.641)

22 October 1945

SUBJECT: Report on Conditions in Assembly Centers for Jewish Displaced Persons

TO : Chief of Staff, Headquarters, United States Forces, European Theater,
APO 757, U. S. Army

1. Reference is made to report, same heading, to Chief of Staff, Headquarters, United States Forces, European Theater, dated 16 September 1945.

2. This present report is based on field trips made between 1 - 17 October 1945 to various assembly centers and towns in Bavaria and Czechoslovakia, U. S. Zone. Appendix 'A' deals with conditions in German communities.

3. Generally speaking, much improvement in conditions has occurred within the past several weeks. Steps have been taken to relieve the overcrowded conditions. Some improvement in food is noticeable. The supply problem is beginning to be solved, particularly as regards clothing, blankets, fuel. Frequent inspections are being made and a general tendency can be observed among officers of all ranks concerned with this problem to deal with it in the spirit desired by the Theater Commander. The alleviation of the situation is under way but it should be stressed that continuing and constant attention is called for and that several aspects of the situation still need further consideration.

4. As regards housing considerable improvement in the previously overcrowded situation has been secured by making Fahrenwald (Wolfratshausen) and Deggendorf all-Jewish camps, by adding a number of private houses to the camps in Faldafing and Landsberg and by opening a Jewish DP hospital in the village of Faldafing to which the Faldafing camp hospital has now been moved. However, while considerable improvement has thus been obtained, more remains to be done along such lines. At Faldafing, where the total census averages about 4,400, some 400 have been transferred to Fahrenwald, 27 houses in the village are occupied by between 500 - 600 people and 10 additional houses have been requisitioned, but not yet occupied. However, the number of people in the camp proper should be cut still further. Some rooms still contain as many as 25 and the wooden barracks, whose conditions have been referred to in the previous report, have been only partly evacuated. Additional houses in the village should be requisitioned, perhaps another 25. At Landsberg, with some 5,000 residents, some people have been transferred to Fahrenwald, a group of houses in the town are now occupied by 450 and 3 additional houses have been requisitioned. The third floors in the casernes are still occupied, but it is planned to install new water pipes so as to do away with objections to the use of these floors, since the space is required. However, some wooden barracks are still being used and in some casernes crowded conditions still obtain, with 12 - 14 in a room, in some cases two to a bed because of lack of space for additional beds. On the whole the camp itself should have its number of residents decreased by a further 500 by the requisitioning of additional houses in the town. Some 800 non-Jewish Hungarians, formerly resident in the camp have been transferred and 200 Hungarian Jews have been returned to Hungary, but on 1 October some 120 non-Jewish Poles remained. It would be advisable to transfer these also, if such action has not already taken place. It should be stated that the shelter situation at Landsberg has definitely been improved. At the all-Jewish hospital at St. Ottilien and at the tubercular hospital at Gauthing the housing situation is satisfactory. The same can be said for the new all-Jewish camp at Fahrenwald where there now are 1,894 residents, the number gradually being increased by transfers from other camps and by admission of DPs from German communities. The maximum capacity here is 3,200 and the physical layout is excellent, affording possibilities for family units. The housing situation at Deggendorf, with 1,000 residents, is also satisfactory. With the removal of some 300 Yugoslavs, it will now be possible to cut down the numbers of occupants in some slightly overcrowded rooms and to evacuate those wooden barracks

which increases the caloric content to 2300 for all DPs, will, in the long run prove to be a serious obstacle to efforts being expended to improve the food situation. It might be well to reconsider the question and, in any event, the effects of this new policy should be most carefully watched and regular periodic surveys made, for here lies a potential danger to the entire program. Already at Landsberg a deterioration has been evidenced in most recent days, particularly as regards butter, barley, flour, lack of white bread for hospital patients, together with an increase in potatoes and black bread.

7. As regards clothing, the supply problem seems to be on its way to solution. Supplies have either already arrived in camps in sufficient quantity or are in the process of arriving or requisitions have been approved and arrangements are being made to pick up the clothes. At Foldafing the winter clothing supply has just arrived. At Landsberg clothing and shoes are coming in daily. At St. Ottilien the requisitions had been approved and the order was to have been picked up at the depot within a week. (A sewing machine could be used to advantage at St. Ottilien for the repair of clothing) At Fahrenwald the latter was true also, with some clothing having already arrived. At Deggendorf a great need existed for trousers, shirts, winter underwear and sweaters, shoes for all and especially women and children and overcoats for women and children. These items had been requisitioned several times, the last requisition having been submitted 2 weeks prior to the visit by this officer. At Gauthing a need exists for overcoats, suits, shoes and warm underwear. Children's and infants' clothing are critical items in these camps where children are to be found and the supply does not seem to be readily available.

8. As regards furniture and bedding, general improvement can also be seen. Blankets are arriving, with Foldafing already having an adequate supply of blankets and bedding. At Landsberg, Deggendorf, Fahrenwald and St. Ottilien, some additional blankets have arrived, but more are needed to average the required 3 per capita. These have been requisitioned. More beds and other items of furniture are needed and have been requisitioned for the newly requisitioned houses at Foldafing and Landsberg, with the latter needing also more mattresses or sacks for straw. At Deggendorf 150 metal hospital beds are needed, as well as additional mattresses, for the sick and old.

9. Fuel is arriving within the camps. Wood cutting programs by DPs have been instituted, with 200 DPs thus engaged at Foldafing, some 75 at Landsberg, 81 at Fahrenwald. Power saws will be available at all camps. In addition 150 tons of coal have arrived at Landsberg, some coal and wood at St. Ottilien, 60 tons at Foldafing camp with 100 more to come, 500 tons at Fahrenwald plus 30 tons of coke, enough coal at Deggendorf for the hospital and wood will be available. The coal is intended for the various hospitals within the camps and for cooking purposes. For general heating wood will be used. Additional stoves are needed in some camps - 1,500 stoves have been requisitioned for Landsberg, 20 are needed at St. Ottilien. Tin is needed for stove pipes at Landsberg where the pipes can be made by the DPs in their metal shop. Glass is also needed here for the repair of windows. At Gauthing 8 tons of coal arrive weekly for cooking purposes and laundry. The wood being chopped by 25 residents is insufficient for general heating purposes. Since this is a tubercular hospital where few of the patients can engage in a wood-cutting program, consideration should be given to the fuel requirements here.

10. Medical attention continues to be excellent. Medical personnel, largely DPs and in some cases Germans, are first-rate and medical supplies are adequate. (Feminine hormones are needed at Foldafing for some 30 castrated men and are unobtainable in the Third Army area) Gynecological instruments are needed at Foldafing hospital. Additional supplies for prosthesis are required at St. Ottilien - artificial limbs. At least one ambulance is needed badly by the St. Ottilien hospital. Additional penicillin and sulfa drugs are asked for at Deggendorf and Foldafing. There continues to be a lack of dental supplies at Landsberg, Foldafing, Gauthing, but the Office of the Theater Surgeon is now investigating this matter. Some method should be devised also whereby eyeglasses may be obtained. Some camps have already started programs of immunization and examination for T. B. Instructors should be issued and supplies of serum made available for an immediate compulsory immunization program for all camps and hospitals. In addition every DP should be examined for T. B. since it is likely that concentration camp life has made of many, incipient T. B. cases which could be checked if discovered now. Such cases could be moved to Gauthing. It is understood from the Jewish Agency for Palestine that

at these 4 camps. The mass cemeteries are being put in order. A central registration for marriages is being organized. In this latter connection questions are asked as to proper procedure for marriage among DPs and clarifying instructions are needed. At present the couple to be married appears before a rabbi for the religious ceremony. Information is asked for also concerning registration of births.

15. Morale and discipline are always factors to be considered among people living in camps which at its best constitutes abnormal living, particularly when such people are former inmates of German concentration camps where law and order meant Nazi law and order. Added is the factor of much idle time. In view of all this the number of undesirable incidents among Jewish DPs is amazingly low and is a source of gratification. Morale has been considerably lifted by the personal appearances made in DP camps by the Theater Commander and by the publicized expressions of his generous spirit, as well as by the personal interest evinced recently by the Third Army Commander, Commanding Generals of the Corps and Divisions concerned and by the local Commanding Officers. Even more improvement in morale and discipline can be obtained by placing more responsibility upon local DP camp committees, by drawing them more into the problems of camp management and granting them more autonomy - a practice suggested by our American philosophy of democracy - by further encouragement to the Central Committee of the Liberated Jews of Bavaria in its various useful functions, and by expansion of the work and leisure time programs as suggested in paragraphs 12 and 13 above. The removal of armed guards, except for night security the lifting of the pass system, the removal of "off-limits" restrictions on German towns and villages have all contributed toward raising morale, as have, of course, the improvement in the clothing supply. Morale could be given a further boost by the early instituting of an easy workable method whereby these people could communicate by mail with relatives in other camps and in foreign lands. New situations have been recently created by the discovery by some residents of camps that children or/and wives are still alive in Poland or the Baltic countries. A great humanitarian work could be wrought by the establishment of a procedure whereby these remnants of families could be re-united within our DP camps. Recent and continuing events in Poland preclude a desire for re-union there. The Jewish DPs, the remnants of millions of Jews exterminated by the Nazis, would like to be permitted to send an official observer or representative to the forthcoming War Crimes Trial at Nurnberg. It would be a dramatic symbol that justice is being done to those who suffered longest and worst from the criminals and would raise the morale of every Jewish DP. Such a representative should be an ex-inmate of a concentration camp and might possibly be selected by the Central Committee of Liberated Jews of Bavaria.

16. As regards personnel in camp administration, UNRRA officials should be commended for their efforts in placing Jewish personnel in teams administering Jewish DP camps, thus helping to overcome the language barrier which often separates team from residents. The personnel of the American Joint Distribution Committee have been most helpful to both Army and UNRRA and more should be called forward. The personnel of the Jewish Agency for Palestine have not yet arrived and their help would be of great use in problems of preparation for immigration, work and educational programs and in the organization and management of camp-farm projects, referred to in the two previous reports by this officer. It is understood that the two teams of the Jewish Agency are still in Palestine because of impossibility in securing transportation. It might be suggested that U. S. Army air travel facilities be made available for these teams, the advice of which could be transmitted through the Paris office of the Agency at 83 avo. de la Grande Arme. An officer who has been of the utmost value in helping to solve many of the Jewish DP problems in Bavaria has been Chaplain (1st Lt) Abraham Klausner, heretofore stationed in Munich, recently assigned to Special Troops, 100th Inf. Division. Since the bulk of the Jewish DPs in the American Zone are in Bavaria and because of the excellent work done in this regard by Chaplain Klausner, it might be considered most advantageous to have him assigned to Headquarters, Third Army on TD for 90 days with the Office of Military Government for Bavaria in order to help the army in this area in the solution of the problems which still remain.

17. Czechoslovakia offers little or no problems. On 1 October 1945 some 22 DP camps in the U. S. Zone were turned over to the Czechs with the XXII Corps

Jewish DPs in German Communities, Bavaria1. Approximate numbers (list incomplete)

a. Munich	2,000
b. XV Corps Area	
Bamberg	600
Bayreuth	200
Hof	200
Rohau	70
Nurnberg	200
Furth	200
Wurtzburg	100
Ansbach	50
Erlangen	70
Bad Kissingen	30
Coburg	50
Miscellaneous	200
c. XII Corps Area	
Regensburg	550
Tirschenreuth	125
Weiden	350
Schwandorf	400
Neunberg	125
Rotz	50
Cham	250
Amberg	100
Straubing	250
Pocking	100
d. XX Corps Area	
Garmisch-Partenkirchen	300
Wuilheim	140
Oberammergau	50
Schongau	50
Augsberg	?

2. Conditions

a. Conditions vary - some receive some aspects of DP preferential treatment, others do not. In general no clear understanding is to be found among IG and UNRRA officials on local levels as to the status of these people. Most are under the impression that only in camps will DPs receive preferential treatment.

b. Munich - Some 2,000 DPs including native Jews returned to the city and Polish Jews need shelter, furniture, bedding, clothing, food supplementation. Furniture, taken from SS and Party members distributed to ex-concentration camp inmates, but only those incarcerated for political reasons (except for the Jewish Old Folks Home). Most recently efforts have begun to give adequate shelter but it was indicated that the Munich area would be termed an "Assembly area" with an UNRRA team to be assigned. Former Jewish residents of Munich, now returned, are anxious that their homes, businesses and other possessions, still in the hands of Germans to whom they were given after confiscation, be restored. Documents concerning property owned by Jews in 1938 are deposited with the several "Bayerische Regierungsbezirke", which registered all Jewish property in July 1938. In addition confiscatory taxes required by the Nazis of Jews were paid to the "Oberfinanzprasidien" and a considerable amount of this money is still at these offices. An overall directive is required to deal with the restitution of properties, possessions and confiscatory taxes seized by the Nazis from Jews and other victims of the Nazi regime so that the small remnant of German Jews left alive may be returned to their rightful holdings and so that the possessions

FUTURE RELEASE
PLEASE NOTE DATE

Original Report
7/2/1946

WAR DEPARTMENT
Bureau of Public Relations
PRESS BRANCH
Tel. - RE 6700
Brs. 3425 and 4860

FUTURE

RELEASE

FOR RELEASE MONDAY A.M., APRIL 8, 1946

REPORT BY
JUDGE SIMON H. RIFKIND,
SPECIAL ADVISOR TO THE EUROPEAN THEATER COMMANDER ON JEWISH AFFAIRS,
TO GENERAL JOSEPH T. McNARNEY, COMMANDING GENERAL, U. S. FORCES, EUROPEAN THEATER.

NOTE TO EDITORS:

The War Department today releases the text of a final memorandum to General McNarney submitted by Judge Simon H. Rifkind upon completion of his period of service in Germany. Judge Rifkind was appointed in October, 1945, as Special Advisor to the Theater Commander on Jewish Affairs. He served in this capacity for five months, first under General Eisenhower and later under General McNarney, and recently returned to the United States to resume his duties as United States District Judge for the Southern District of New York.

The War Department stated that the memorandum represented only the personal views of Judge Rifkind and was being released as the comment of a qualified authority on a matter in which there has been substantial public interest.

314245

FOR RELEASE MONDAY A.M., APRIL 8, 1946

REPORT BY
JUDGE SIMON H. RIFKIND,
SPECIAL ADVISOR TO THE EUROPEAN THEATER COMMANDER ON JEWISH AFFAIRS,
TO GENERAL JOSEPH T. McNARNEY, COMMANDING GENERAL, U. S. FORCES, EUROPEAN THEATER

On October 3, 1945, on the joint invitation of the Secretary of War and General Eisenhower, I accepted appointment as Advisor to the Theater Commander on Jewish Affairs for a period of ninety days. Upon the expiration of that period, at the request of the Secretary of War and General McNarney, my term of service was extended for an additional period of sixty days. That period, too, is now drawing to a close. This memorandum is the last I shall submit in my official capacity.

The Jews of the world are everlastingly in debt to the armed forces of the United States for the survival of a remnant of Israel in Europe. The rescue phases of the grim task of liberation were miracles of accomplishment. That there is in existence a people which constitutes the Jewish displaced persons "problem" is attributable to the heroic and selfless devotion of many medical and combat officers, and thousands of anonymous American soldiers of all creeds. The historic fact can never be slighted that all that remained after Hitler's war of annihilation against the Jews of Europe was, figuratively, a small dry heap of bones into which, like the prophet Ezekiel, the United States Army and its allies breathed the spirit of life.

Rescue was followed by the Army's great accomplishments in the second phase, that of semi-permanent living. The broad policy directives promulgated by this Headquarters have been instinct with deep and sympathetic understanding of the plight of these survivors of the horrors of the concentration camp. The directive setting up special assembly centers for Jewish displaced persons, whose problems are unique, has been the cornerstone of the improvement that has taken place. The classification of some displaced persons as "ex-persecutees" has permitted specialized treatment based on need, and the establishment of a category of "assimilees" (that is, Germans assimilated to the status of United Nations displaced persons) has been exceedingly fruitful in drawing a line between the Germans and the German Jews against whom the former had waged relentless war.

The Army has, during the period of my stay, accorded to the Jewish displaced persons a wide measure of personal freedom, has encouraged self-government, permitted the use in the centers of displaced persons as police, and allowed the ex-persecutees broad freedom of movement. Gradually, many of the Jewish displaced persons centers ceased to be camps and became more nearly like communities. The Army has also repealed Germany's oppressive racial statutes and forced the German schools to make room for displaced persons as students. It has given the displaced persons, and especially the ex-persecutee groups, a higher caloric diet than it has permitted the Germans and has given them priority with respect to many items of supply and accommodation. It went to great lengths in providing a plane service to bring into the Theater sorely needed instructors and supplies from Palestine. It has supplied Kosher food to those who require it. To those Jews who have infiltrated from east European countries and to whom it owed no legal obligation, but only human compassion, the Army has extended accommodation and care on a standard equal to that of other ex-persecuted displaced persons. The idea of securing the services of an Advisor on Jewish Affairs is a mark of its concern and desire to deal sympathetically with the problem. Nor is this, by any means, a complete catalogue of the numerous instances which evidence the Army's warm-heartedness in dealing with all displaced persons in general and ex-persecuted displaced persons in particular.

The problem of the displaced Jews of Europe, however, is not yet behind us.

An understanding of the problem must start with the fundamental realization that the United States Army has in its keeping not a group of discrete individuals but a "people" and that it is required to deal with one of the great migrations of history. Destiny has called upon the military forces to preserve that people and to channel its migration, and has thereby challenged the historic role of the United States as protector of the oppressed and persecuted. The manner in which the military forces rise to that challenge will determine not only whether the page of history now being written in this Theater will be bright or dark, but will indicate whether our country, having survived at great cost the travails of war and being

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preoccupied with the complex problems of reconstruction and world peace, has still the capacity and energy to deal justly with a cause that can make but a moral appeal to its conscience. It is an awesome responsibility that has been placed upon the United States Army. I have confidence that it will be so discharged as to reflect only credit upon the people of the United States.

The Jews presently in Germany and Austria are principally of Polish and Baltic origin. Smaller numbers of them are of Hungarian, Rumanian, and Czechoslovakian derivation. The native German and Austrian Jews form only a minor fraction of the problem; very few of them are left in Central Europe. It is with east European Jewry, primarily, that we have to deal.

Many centuries ago the Jews began their movement eastward in search of lands where they could practice their religion free of molestation, raise their families in security, and live their lives in dignity. They never found what they sought, but in the course of their attempt they created institutions which through the long years enriched the civilization of the world.

In the eastern countries, principally in Poland and the Baltic states, the Jews developed a religious civilization far different from the native culture. They developed a way of life which was essentially their own. Despite poverty and oppression, it was rich in ethical significance, colorful in expression, and always intense. Scholarship was always accorded first priority in Jewish life in east Europe and great academies of learning were built from which were graduated men of renown. Seminaries poured forth religious leaders who carried to Jewish communities all over the world spiritual inspiration and guidance. Jewish music was scored, a Jewish literature flowered, Jewish art and drama reached great heights. The foundation of this civilization was religious in character but it extended into secular fields as well. This religious civilization enriched not only the Jews of the world but played an important part in the enhancement of human thought everywhere. Almost unnoted by the rest of mankind, this well-spring of cultural activity fed rivulets that flowed into the stream of life of the western nations.

The Jews of east Europe flourished in this way despite an environment which was essentially unfriendly. They have never really lived at peace. They have always been haunted by fear of the pogrom, of sudden death and the slaughter of the innocent. They have always longed for a place or a time in which they would be free of this mortal fear.

With the coming of Hitler, anti-Semitism became an instrument of national policy. As one means of creating his totalitarian State, Hitler utilized that evil weapon to suppress dissent, to terrorize and eliminate the opposition of other non-conformist elements, to divide the democratic world and create conditions favorable to his aggressive plans.

Hitler's first victims were the German Jews because they were at hand. Starting with non-violent forms of oppression, their persecution soon moved to brutal and sadistic forms of murder, forced labor and mass starvation. But the German plan was never limited to the destruction of German Jewry; it always contemplated the elimination of the Jews in Europe and indeed in the world. It was not until the brute mass of the German Army moved eastward that Teutonic savagery reached its height. Upon the Jews of eastern Europe was loosed a plan of extermination so diabolical that it is impossible for a civilized mind to grasp. Never has the world seen such horror; never have a people undergone such torture. The infamous details have been spread upon the records of the International Military Tribunal at Nurnberg, and need not be repeated here. So ruthless was this campaign, so furious was its execution, that some 6,000,000 Jews fell martyred by the Nazis. Today, no more than 1,250,000 Jews live in Europe east of the English Channel and west of the pre-war borders of Russia, and the east European Jews are but a portion of that number.

The Jews who are today provisionally in Germany and Austria are small in numbers; approximately 100,000 of them are living in all zones of those countries. Family life is practically unknown among them--the members of their families are dead; they are destitute--the Germans stripped them of everything; a child is a rare treasure among them--extermination of the young was a Nazi priority; they suffer from psychological and physical ills as a result of life in the concentration camps and the experience they have endured. Their civilization, so laboriously created over the centuries, has been brought low; its leadership is dead; its institutions--economic, social, religious and scholarly--are demolished.

The one thing that Hitler failed to take from these people was their spirit. That is today burning brightly and steadily in the wastelands of Germany and Austria. Its indestructible quality has kept alive in them the germinating seeds of their civilization. That is why this small group represents a people--the remnant of Polish and Baltic Jewry--the growing tip of its future.

That spirit, and the culture it represents, have drawn together the Jews in Germany and Austria, and have provided them with a program for the present and a plan for the future. Many of the Jews who are today living in Poland, Czechoslovakia, Rumania, and Hungary are baffled and perplexed, insecure in the present, fearful of the future. Not so the Jews in Germany and Austria. They know what they want; they want to quit Europe; they want to live together, not dispersed among a population that regards them as aliens; they desire to live in the pattern of their own historic culture; they visualize the realization of their desires in Palestine. It is a strange phenomenon that the Jewish displaced persons in Germany and Austria, because they have a policy and a program, have emerged as the vanguard of east European Jewry.

These considerations may seem irrelevant to the Army's task; but indeed they are crucially germane. They supply the clue to the sense of excitement one experiences in the Jewish displaced persons centers--the high pitch of the publications, the mass meetings, the demonstrations, the petitions, and the general atmosphere of political fervor, in sharp contrast to the relative quietude in the other displaced persons centers. They provide the reason for the Jewish displaced persons' impatience with measures that give an atmosphere of permanency to their enforced residence in Germany, and their reluctance to do anything that appears to integrate them with the German population.

And these considerations help explain why the Jewish population in the U. S. Zone is increasing, whereas that of other displaced persons groups is decreasing. Returning from the concentration camps, from the forests in which they fought as partisans, demobilized from the national armies in which they battled on the side of the Allies, coming from the places in which they hid from the Nazis, the Jews in the east European countries find themselves unwelcome in the lands of their origin. They discover that anti-Semitism did not vanish with the defeat of the Nazis. Indigenous, popular anti-Semitism flourishes and creates a climate of hostility on the part of the native populations against the Jews. In Poland they have been the victims of terroristic activity and there is evidence that the Government, despite its sincere efforts, cannot effectively protect them even against the more extreme forms of anti-Semitism. Moreover, the countries of their origin are to these Jews places of sadness and despair. On their return to their homes, they find no trace of their families; their friends and their old associations are gone. They find it impossible to take up normal living in a graveyard of memories. Consequently, they have taken to the road in search of new places, free of prejudice and bias, in which they can settle and be at peace. Unlike other displaced persons, they do not linger in or come into Germany because they find a particular political regime distasteful or because economic conditions are bad at home. No matter what the political or economic situation in their former homes, life there for them is impossible. They are in fact homeless through no choice of their own and cannot be repatriated.

A study of the flow-lines of east European Jewry shows a constant and unvarying convergence upon the U. S. Zones of Germany and Austria. This movement is primarily an expression of faith in the United States which has always afforded asylum for the unfortunate. That is one of our great national assets, which has in the past paid rich dividends. The Army has thus far viewed with sympathetic understanding the plight of the Jews seeking asylum in the U. S. Zone. A continuation of that policy is strongly urged. Its abandonment or limitation will constitute a denial of the humanitarian impulses which should motivate the military in this connection. The numbers coming in, compared with the population of the Zone, are relatively trivial; they constitute a very small charge upon the economy of the area. To forbid these persecutees entry on the basis of any statistical study of absorptive capacity, which must at best constitute a rough guess, is to elevate form over substance in the face of human tragedy and suffering. It would be deplorable were our reputation of affording refuge for the unfortunate, thus far treasured and preserved by the military statesmen in charge of our affairs in Europe, now to be dissipated.

The Jews coming into Germany seek here a provisional place of refuge that will serve as a staging and rehabilitation area for migration. The fact that they are seeking this haven in Germany is profoundly just. Their present lamentable condition

is the result of German barbarism. In the process of exterminating millions of Jews, the German economy was enriched beyond measure. The fortunes of those who died as well as those who escaped are today being enjoyed by their persecutors. Where 600,000 Jews lived in Germany before Hitler, only a fraction of that number seek to sojourn now. Have these Jews not a claim upon the available habitations which is prior to that of the Germans? Have they not a claim against Germany's resources of food and clothing which takes precedence over that of the Germans? Are not the Jewish displaced persons eternally right when they say, "The Germans are our debtors," albeit they are not in a position to enforce reparations for the wanton destruction of their kin, their property or the free labor they were compelled to perform?

Viewed in this light, the question whether the presence of the Jews constitute too heavy a burden upon the German economy becomes irrelevant. Their claim is second only to that of the occupation forces. If the result is that some must live by the grace of charity and the standards which charity implies, it should be the guilty ones, not the victims. Simple justice dictates that these Jews be received and permitted to remain in Germany for a brief period until the world allows them to go where they can live in dignity and security.

Jewry's surviving remnant in Europe has no material claim against the United States or its people beyond the broad humanitarian claim that all persecuted groups have upon free men. These Jews recognize that they are already immensely in debt to the United States. But as Hitler's victims who lost the war, they look to their brothers-in-arms who won it, to enforce for them some small portion of their claim on Germany. They object to American food given to them as an act of grace. They prefer German food delivered to them as of right. They resent living in barracks while the Germans live in civilian homes. They wonder at our lack of comprehension when they are tendered the cast-off clothing collected in American salvage drives, instead of the new production of German factories. We must recognize that insofar as we fail to require the Germans to satisfy the needs of these Jews and satisfy them ourselves, we are discharging a portion of the debt owed by Germany. It would, it seems to me, be preferable, certainly from the moral point of view, to insist that Germany discharge that obligation in the first instance though this cause some discomfort to the German population.

The policies to be framed and administered with respect to the Jewish displaced persons in Germany and Austria will be sound and effective, and will evoke responsive cooperation from the displaced persons and commendation at home, to the extent that they are corollary to the major conception I have outlined of the nature of the problem. Whether the care afforded is adequate is therefore not to be measured by reference to standards for Germans or for derelict beneficiaries of charity.

The questions to which present and proposed directives should be subjected are: (a) do they contribute to the building of healthy and vigorous people capable of the pioneering effort which confronts them; (b) do they contribute to the enlargement of their skills and capacities for doing useful work; (c) do they accelerate the process of restoration of family life, normal communal activities, moral standards and qualities, good citizenship; (d) do they enlarge capacity for self-government, discharge of responsibility and afford opportunity for the development of new leadership?

Measured against these tests, the need of changes along several lines is indicated.

(a) The present practice with respect to the displaced persons' diet needs revision. While that diet is, in caloric content, above the subsistence level, it is so monotonous as to be unsuitable for more than a very short period of time and constitutes an ever-present provocation to black-market transactions. Some variety is urgently needed.

(b) The introduction of rehabilitation and training projects has been sluggish. Many of these concentration-camp survivors have lost their skills; many of the younger ones never had the opportunity to acquire any skills; others need to learn new trades useful in the lands to which they hope to emigrate. To accomplish these ends requires affirmative action in the way of making tools and equipment available from the German economy, in calling forward more personnel and material from the voluntary agencies, finding more space for training centers and farm projects. Whatever be the expenditure of effort and substance in such an undertaking, it is nominal in comparison to the social costs involved in the failure to take such action

(c) In the provision of civilian rather than barrack type housing for Jewish displaced persons considerable improvement has taken place in recent months. There is room for more. The Jewish displaced persons do not, morally, constitute a burden on the German population. Assuming the highest reported proportion of destruction of housing, the Germans are still the trespassers in the aggregate when they house 100,000 Jewish displaced persons in all zones where 600,000 Jews lived before.

The educational and religious programs need intensification. In their years in the concentration camps these people were subjected to the most brutalizing conditions. Law meant tyranny and the only means of survival was through its evasion. Unlike American prisoners of war, who were exposed to brutal treatment in the prisoner of war camps, these concentration camp survivors did not upon liberation return to a welcoming homeland, to the bosoms of their families and friends. Liberation to them meant freedom from bondage--and the realization that their kin were gone, that they were alone in a largely hostile environment, in the grim atmosphere of a displaced persons center from which there appeared to be no escape. It would be surprising if in these circumstances we found no anti-social tendencies among these survivors. They require reintroduction to a type of society from which they have been divorced for many years and orientation away from the degrading existence into which the Nazis forced them. This requires an educational program demanding the same type of affirmative action as has been indicated with respect to training projects.

Religious instruction is of great importance. These people have not had an opportunity to practice their religion for many years and they are in special need of religious reintegration. There is a great dearth of personnel available for pastoral duties among the Jewish displaced persons. I have discovered only one native German rabbi in all of Germany; and since intellectual training was not a factor which contributed to survival in the concentration camps, it is clear that help must be obtained from outside Germany. A more liberal policy for the admission of rabbis and religious teachers, as well as people in other cultured professions, is very much to be desired. Moreover, such religious personnel as is available in the centers should be afforded adequate opportunity to pursue their calling with dignity and facility.

No first class effort has yet been made in the direction of providing opportunities for employment. Statements have been made that the Jewish displaced persons will not work. This is true of only a small percentage of them, who feel that they slaved so long and so hard for the Germans without compensation that the Germans should now labor for them. The Jews understandably refuse to work for the Germans or aid in any way the German economy. This leaves three fields of possible employment: (1) work for the occupation forces, both in the way of personal and industrial services; (2) work for themselves; (3) manufacture of items for sale. Efforts should be made along these lines to increase present employment opportunities. No such program can be effective, however, unless incentives for work are simultaneously established. All of us work for some reward; it is unrealistic to expect these people to labor without some form of compensation.

(d) Present tendencies in some quarters to regard the Jewish displaced persons as institutionalized "problem children," which they are not, are pointed in the wrong direction. These tendencies have not yet been formulated into policy directives; I hope they will not be. Plans which are designed to restrict movement, to intensify police control, to subject the residents to frequent searches, all in the interest of "law and order," are permissible, for security reasons, in dealing with a conquered enemy people. They are not justified in dealing with friendly allies; and surely no free people would tolerate them. They are peculiarly inappropriate when applied to persecuted groups, Jewish and non-Jewish, in greater measure than to the Germans themselves. The use of German police in persecutee centers is not promotive of order. Careful screening would produce good ex-persecutee material for such policing. A program of education of the newly-arrived troops and military police with respect to the misfortunes of these people and their present unhappy state, designed to evoke sympathetic and understanding treatment, would also be helpful in preventing unfortunate incidents.

There are other aspects of Jewish affairs in Germany and Austria that are receiving consideration by the military authorities, such as the question of restitution of property, especially where the Nazis have compounded robbery with wholesale murder so that no heirs survive; the disposition of Jewish communal, religious, and cultural property; extension of aid to ex-persecutees resident outside of assembly

centers; documentation for migration, etc.; but it does not appear necessary to dwell upon them in this memorandum.

I recognize that no matter how wise the policies formulated and no matter how sympathetic their implementation, they can only ameliorate the present conditions of life of the displaced Jews and prepare them more adequately for the future. They cannot solve the problem of the displaced Jews. Being a human problem, it resists definition by directive. It is not confined to the arbitrary geographical lines of the U. S. Zone, but overflows the newly created zone boundaries as well as the more ancient national frontiers. It embraces not only those who fall within the technical definition of "displaced persons" but all those Jews of Europe, who, by reason of the global war of 1939-45 and the war against the Jews since 1933, have had their home-roots cut, so that they are in fact a mobile, floating population. It will cease to be a problem, not when any specialized agency has discharged its limited responsibility, but when the Jews concerned have been restored to normal life in an abode in which they strike permanent roots.

Rapid, mass resettlement is the only means of solving that problem. Life in the displaced persons centers cannot, at its very best, begin to approach normal life and the inevitable consequence of a prolonged stay therein is demoralization. Disintegration has already begun and may rapidly spread. Frustrated in their attempt to find a place outside of Europe in which to live, unable to make a home in Europe, surrounded by a hostile population which serves to exacerbate old wounds and create new resentments, these people are coming to the end of their emotional tether. Unless the world is prepared immediately to make a place for them, it will drive to despair and disaster this handful of a decimated people. All of them have but one earnest wish, to be quit of Europe; and most of them have one other compelling desire, to emigrate to Palestine. For reasons I have advanced at length before the Anglo-American Committee of Inquiry on Palestine, I believe their problem is actually insoluble without Palestine. Whether or not the United States Army will this spring be faced with the necessity of dealing with people sickened by "hope long deferred" depends upon the action of that Committee and the Governments which must implement its decision. Every day's delay in solution boosts the price to be paid for the failure to act promptly.

Record should be made of the patent fact that of the several governmental agencies charged with responsibility, the Army is the only one that has to date made a substantial and noteworthy contribution. UNRRA has refused to contribute any supplies to the displaced persons. In the U. S. Zone it has likewise failed to bring to its task the necessary initiative, administrative skill, and imagination. Conspicuous has been its lack of drive to implement ideas conceived both within and outside its staff. Its lower ranks have brought zeal, sympathetic understanding, and social welfare experience, and I cannot praise too highly the devotion to their task of the workers in the field. But too often this personnel--and more particularly the supervisory staff--does not possess the requisite "know how" to deal with the routine tasks of housing, clothing, and feeding. While it is true that in some areas UNRRA personnel has been confronted by non-cooperative and resistant military officers at the operating level, that circumstance would not have proved to be a serious obstacle had the UNRRA organization in the U. S. Zone possessed the necessary executive capacity. Had this administrative weakness of UNRRA been foreseeable, it would have been wise to limit its function to welfare and case-work problems. It is too late to retrace the steps taken. But it is not too late for the Army to be aware of this defect in the performance of UNRRA, and to deal with it by instruction, inspection, and the fullest measures of cooperation on all levels.

Although resettlement is the ultimate objective, the Intergovernmental Committee on Refugees (IGCR), whose responsibility covers that field, has by its own directives rendered itself impotent to deal with the problem. It has accomplished nothing in the way of resettlement of the Jewish displaced persons, and can accomplish nothing under its present policies. Some few of these people have been resettled in Palestine through the Jewish Agency for Palestine, an organization accredited to UNRRA. The United States is now opening consular offices and taking steps to implement the President's directive with respect to emigration of displaced persons to the United States. But as far as I know, IGCR has to date taken no steps to make possible the settlement of Jewish displaced persons anywhere. By appearing to act in this field it has discouraged others from taking the initiative. Valuable time has been lost. It is plain that for those who desire migration to places other than

Palestine, direct negotiation by the United States with other immigration-receiving nations is necessary.

In closing, I wish to express my unstinted thanks for the kindness and courtesy with which I have been treated during the period of my service in the European Theater. I have always received the fullest measure of cooperation in the performance of my duties, and the Army has exerted itself at all times to lighten my task. Never did it fail to give patient consideration to my suggestions. For all this I am most grateful.

It is my earnest hope that the events of the succeeding weeks with reference to Palestine will relieve the United States Army of its grave responsibilities towards the Jewish displaced persons. And I pray that, with the fullest measure of its capacities, the Army will so devote itself to those unfortunate victims of the war that they will be able, as dignified and integrated individuals, to meet whatever future awaits them.

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 RG 131
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 Box 134

Morning Session
 Wednesday, June 3, 1942
 Willard Hotel
 Washington, D. C.

HISTORY OF FREEZING CONTROL

Orvis Schmidt

Inception - April 1940 at time of invasion of Norway and Denmark. Almost immediately it was announced assets of Norway and Denmark were frozen. It was a well thought out job, but couldn't see all problems, so history of control has been one of adaptation. Control was rapidly extended. May 10, 1940, Lowlands invaded and control extended to Belgium, Holland, and Luxembourg. This was a big extension. June 17, 1940 extended to France.

Freezing of Norway and Denmark was unexpected, but later knew it would be extended. Month later other countries; fall came another group. These were smaller Baltic and Balkan countries. Axis countries themselves not frozen until later. In June 1941 came second great extension of the Order; all funds of rest of countries of Europe were frozen, including Russia. Month later extended to China and Japan. Order extended to Japan as a penalty, and to China as a measure of help. Thus in course of about one year most of world was frozen except New Hemisphere. When we speak of country includes all territories and possessions of that country.

Why were Axis not frozen? When first used, was for protection. No one objected to freezing funds of invaded countries; was done for protection, to prevent falling into hands of invader. Also, guarding ourselves against use that Axis might have made, Axis could have used them anywhere, but by freezing prevented that. We were edging into "defensive" economic warfare. Suppose XYZ had contract to ship goods to Denmark; meantime frozen. If you are sure just settlement of debt, license the deal. Important part is that before payment is made, you have a chance to look at transaction through application. Mere existence of control forestalled attempt to use funds wrongly, e.g., by torturing a bank depositor to write check for spy here.

Then we became more aggressive and extended control to Axis itself. Looking at it now, easy to say maybe should have been done earlier.

At time four neutral countries frozen (same time as Axis frozen) delicate because neutrals - yet to have left area outside would be serious gap, as transactions could have been put through neutrals, e.g., Switzerland

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has long been country where one went when wanted to hide funds for tax — there is whole legal and tax structure there for hiding funds. This would have meant all those funds not controlled. So, simultaneously announced that U. S. prepared on receipt of proper assurance from four neutrals and Russia would issue general licenses. Sweden was first to give assurance: would certify no transactions in which national of any blocked country had an interest (Sweden already had good exchange control). General License No. 51 freed Russia.

How does freezing work? Accomplished by Executive Order under Trading with Enemy Act, e.g. Norway frozen by registering all persons in U.S. holding any funds or securities for persons in Norway or Norwegian nationals; time to engage in any transaction with respect to assets unless licensed. Thus, all banks holding funds could not engage in any transaction re Norway; couldn't honor any checks; couldn't recognize power of attorney. Brokers couldn't buy or sell securities. Any transaction concerning evidences of ownership, forbidden. Thus imperative to have license to deal with them at all — couldn't remit free dollars to Norway. How do you make sure frozen? Requiring by law to do so. Most of them felt right and proper. Most financial institutions cautious anyway. Also, Order took them "off the spot." Suppose Ole Olsen has a checking account in Chase National. Transfer comes through assigning to a New York corporation. Bank on spot; if they don't pay, might be sued. If so, Olsen might sue later. Most institutions are aware of fact of freezing and follow order.

All of assets frozen as of effective date in connection with respective countries. Controls all transactions on "behalf of" and "with." Export control Act covers exports, but relates only to specific commodities, but Executive Order refers to all commodities and everything else. By now probably Export control extended, so there is overlapping. Only control on imports is freezing control—Trade with certain area under general license.

Difficulty in use of terms — social science terms should be defined:

"Foreign country"	Section S, Paragraph D
"Person"	Section S, Paragraph C
"National"	Section S, Paragraph E — doesn't necessarily mean "citizen"; means, as defined: citizen, subject, if domiciled in or resident in France on June 17, 1940; <u>Case</u> . A representative of a Latin American Government in France; had two passports, one diplomatic and one tourist. Got to border and hadn't had official pass visaed, so stayed one day more and so he was there on June 17, 1940. Thus frozen; subsequently released. For American citizens, General License 28. <u>Corporations</u> : "Substantial part" left vague so line could be drawn according to particular cases. Government is the judge of whether "substantial part" test is met. If big corporation widely held, not so much worry; but smaller companies usually more carefully scrutinized, often ask for ruling. One guide: suppose Corporation has 5% Spanish, 5% German, 10% Swedish, no <u>one</u> is "substantial interest. If by adding up

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nationalities comes to 25%, automatically frozen. Doesn't mean, you don't freeze if only 10%. Can be a national of more than one country. Section 5, Paragraph E, Sub-section IV. - "Ad Hoc freezing" - wire Federal Reserve to tell him and all banks that he is frozen. Getting 2,000 submissions from Censorship. If Secretary of the Treasury has reasonable cause to believe you are national; you can be blocked.

Banking Institution - Section 5, Paragraph F. When restricted term is used say "Domestic Bank."

General Ruling 4 - defines "domestic bank."

General License is a concept used to free people -- give him same status as though not under Order. Not so simple to free. Everyone is subject to order and can't just say, "no longer subject to provisions of order" as everyone is subject to order so declare him "generally licensed national."

Manner in which freezing affects various kinds of institutions: In General prohibits trading with blocked country or national. Regular license for trade going both ways. Trade Section clears application relating to trade. General License 53 authorizes trade area trade -- some of countries are blocked -- no reason for scrutinizing too closely, e.g., Dutch West Indies. Likewise, for Belgian Congo. At time froze, French, Spanish and Portuguese; Brazilian residents might be national. General approach of Executive Order was broad. If man had put on Proclaimed List. So General License 53 licenses trade transactions in General License Trade Area not on Proclaimed List. Thus, means when order from someplace in Trade Area doesn't have to worry if not on Proclaimed List.

3,000 Business Enterprises in United States are on blocked nationals -- allowed to do business only under operating license. First, freeze, second, get them to fill out questionnaire, third, then license -- may limit to three months, or prohibits business outside United States. May order him to file monthly reports, list payees or those who send him money. He must cooperate or he is through -- power over the business enterprise should be used delicately. There are Business Enterprises which have been liquidated primarily Axis firms. Easiest type is where import-export business -- liquidate. If type of business is important, then vest it in Alien Property Custodian. Royal Dutch Shell under B E license. Closed about 4500 -- licensed about 3,000. Number of big ones closed very small.

Ships and shipping -- first two countries caught were Denmark and Norway; both ship countries. Once you control purse-strings of business, you control business. After invasion, we had full control of ships. Eventually, Norway set up Shipping Commission, and we have broadly licensed. We have exerted control over great tonnage. Fact that a transaction may be made in dollars, also gives United States control.

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Securities: anyone who had securities here would have to have license to buy or sell. How prevent dumping of looted securities? General Ruling 5 -- early in summer 1940 -- any securities coming from any country into United States is spotted by Post Office and Customs and sent to Federal Reserve Bank and addressee told to come and open. British Censorship opened mail and stamped "Securities." How about buying abroad? No person in United States can acquire interest in any security abroad. How about smuggling? Freezing order prohibited any trading in any securities bearing stamp of blocked country, unless clearance certificate attached. TFEI - 2 -- These are engraved so can't be duplicated. Many blocked countries had issued dollar bonds; held widely abroad, so some procedure extended to for dollar bonds. Philippine securities and currency reported so Japs could not bring in. Security control has been effective; now extended to currency. Now only currency coming in must go to Federal Reserve, recently extended to Latin America. General objective of currency control: (1) to drive down value of currency so as to deprive Axis of value; (2) to force South America to assure themselves where currency comes from if they want to be sure of getting to United States.

(1) Many people in United States here many years not citizens.
 (2) Refugees on visitors' or immigrants' visas. General License freed people who resided and were domiciled in the United States on effective date of Order. If on immigrants' visas, then domiciled; if on visitors' visa, then not. Our experience: when control so broad, you begin to lose effectiveness of what you are "gunning" for; don't want to interfere too much with ordinary lives. We have progressed through various stages. In case of Japs, dropped domiciled and used resident. General License 42 - licenses any individual residing in the United States February 1942 on theory that bulk of them were refugees and those we didn't have to question, and those suspicious back again under blocking. Thus did not license those Ad Hoc'd.

Under the Control, one of first censuses ever taken of foreign property. Required all persons holding funds for blocked to report TFR-100. When order extended to Germany, Italy, etc., there was reason to believe we had gone under cover. Everyone in United States who held funds for foreigners had to report -- not merely blocked nations, but all countries. Thus, census of all foreign property. Require that give value of two dates -- June 1941, June 17, 1940. So if you find great discrepancy, then you can pick up trail. (New census planned for Americans having property abroad.) 550,000 returns filed.

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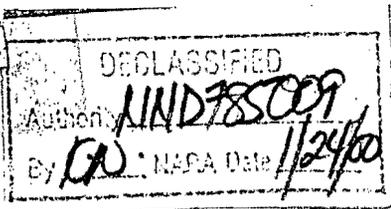
DuBois

Section 5 (b) Trading with Enemy Act. Unused in 1933 in Bank Holiday -- amended by Congress to confirm Bank Holiday.

Freezing Order issued under 5 (b) as existed April 10, 1940 -- use all powers in statute at time order issued. No longer any doubt of power to control foreign transactions. Not desirable to follow exact pattern of Executive Order in Latin America. Statute is better to start with, rather than Order, because Order was limited because of statute under which Order was issued.

Freezing control is just one fact of economic warfare -- in Latin America also have positive program -- increasing strategic material, increasing production, transportation, maintaining domestic economies to avoid distress, financial assistance to those countries.

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Afternoon Session
 Wednesday, June 3, 1942
 Willard Hotel
 Washington, D. C.

Restrictions under U.S. Freezing Control
 On Trade and Communication with Countries
 Outside the Western Hemisphere

DuBois:

General Ruling No. 11 - "Enemy National" defined. "Enemy territory" defined - no one can engage in transactions which entails trade with. Something along these lines is a minimum step to get Latin American countries to take; we talk about territories here which are occupied, not neutrals. Enemy national also includes Proclaimed List listees; also anyone acting for enemy governments. So really have three primary categories of enemy nationals:

- 1). Within enemy territory.
- 2). Persons on Black List.
- 3). Agents of governments with which we are at war.

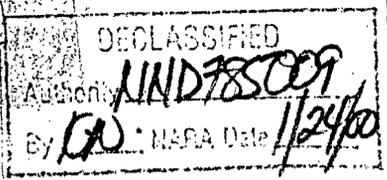
Press Release in connection with General License 11 explains what we are driving at.

Concept "allies of enemies" not very useful to-day. Enemy territory includes Occupied, but not Unoccupied France; we deal more stringently with Occupied. Really four or five classes outside Western Hemisphere, depending on degree of Axis Control.

Fox:

First Type of Area - Unblocked, such as Turkey, Iran and Iraq. These countries are not controlled with respect to trade, finance and communications; they are as they were before the war. Of course, if transaction involves a blocked national or property, then control and license necessary. "Cloaking", of course, is a problem so that no channeling through an unblocked country to an enemy.

Second Type of Area - Generally Licensed Trade Area - includes Latin America, British Empire, etc. as set forth in General License 53. Belgian Congo and French Equatorial are in blocked category, but are in licensed area. Restrictions do not permit financial transactions



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where country in Trade Area is blocked. Trade transactions with blocked countries in Generally Licensed Trade Area may be effected under General License 53. Communications are subject to censorship - censorship is another problem.

Third Type of Area - Generally Licensed Countries - Only one, Russia - lifted out of freezing control. Transactions permitted under General License 51 - either trade or financial. Occupied Russia comes under General Ruling 11, and thus forbidden as it is enemy territory.

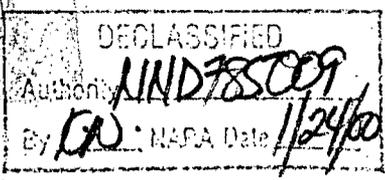
Fourth Type of Area - Those countries which have general licenses - four, Sweden, Spain, Switzerland and Portugal. Were first blocked. Licenses provided that certain individuals could certify transactions; in some cases could channel transactions through Central Bank. In case of certification, certificate goes to bank in the country which debits account of Swedish bank, or which makes remittance, or whatever the transaction is.

In general, countries have lived up to obligations which they undertook when licenses were granted. Restrictions will be largely based on commodity control. Freezing control does not interfere with exportations if they are licensed by Export Control Division of Board of Economic Warfare. Volume has been greatly curtailed and nature has been restricted; policies can change overnight depending on conditions. Proclaimed List is applicable to four neutrals of Europe and of course applications for dealing with listees almost invariably denied. Of course, if deal is finished with exception of payment, then payment to American would be permitted; although effort made to first use up free resources of Proclaimed List National. Important regarding four countries: Transactions may be effected when properly certified which means that national of no other country interested in them. Freezing control not only control; also Export Control, Navicert, and Censorship. So just because General License doesn't necessarily mean every transaction goes through. General Licenses are not irrevocable, and any particular transaction could be ad hoc'd. Case: Maritime Commission wanted to prevent sale to one of countries by a South American country. Neutral wanted to open account in New York for purchase. Treasury told bank in New York could not consummated under General License, but would have to have special license.

Fifth Type - Blocked Countries -

I. Enemy Countries - No trade or communications prevented by (a) blocked and (b) General Ruling 11. No goods from United States to Germany or Italy, or Occupied Countries. At time General Ruling 11, Office of Censorship issued a ruling making unlawful any attempt to communicate with that type of country without Censorship license. There have been only 1 or 2 indirect communications permitted to enemy occupied countries.

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II. Occupied countries - (See above)

III. Unoccupied France - Only a few essential oils, other than that no trade permitted since June, 1940. Communications are drastically curtailed, at least with respect to business letters, etc. Financial transactions are permitted only to a minimum amount and only when completely satisfied no benefit to Axis, not under duress.

French Colonies have had "varied career":

With these various areas, trade not out off, but suspended at various times. Clearance Agreements are complicated documents, but simple in principle. What they permit is limited trade both ways -- proceeds of goods brought in must be credited to certain account, then payments made from that account to exporters. Way the agreements work varies different areas. No Africa Agreement has been suspended on several occasions depending on political situation - suspended since November, 1941. Martinique - goods can be shipped to Martinique with certain exceptions, and goods to United States, always through accounts. Reports on the accounts are voluminous. With Martinique one million per month can be paid out regardless of how much put in. Martinique and Guadeloupe-Clearance Agreement with Martinique.

China - was blocked at request of Chinese Government. Object to control trade so as to benefit China rather than Japanese. Called China Program - permitted goods into United States only if proceeds paid to Stabilization Board of China; permitted goods to China only if funds supplied by Stabilization Board of China. Board originally in Hong Kong, now in Chungking. Effectively prevented Japanese obtaining goods from United States via China. Interlocking control: 1. United States Freezing and 2. China Stabilization Board. This may have particular application in Latin America. If Latin American controls set up so that operate with ours, extremely effective result. Resolution V. of Rio Conference gives grounds to go to local governments on this point, as well as all points we have been discussing. China Program is a technique, and advisability of applying in Latin America depends on specific conditions in respective countries. Might take form of mutual certifications among countries of Latin America.

Proclaimed List - a list of about 8,000 names of persons or firms believed inimical to United States and whose economic activities desires to curtail unless some overwhelming benefit to U.S. war effort - e.g. if a Proclaimed List sold rubber to U. S. Confidential List - unpublished, Confidential List of consignees used by Board of Economic Warfare. There may be inadequate information to go on Proclaimed List or some reason for not publishing. But Statutory List - now pretty well coordinated; being on that list is red signal on a transaction even though not on Proclaimed List.

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Strategic Materials - Committee on Neutral Trade - we do not want strategic materials going where they might be useful to Axis. As war proceeds, more materials become strategic. Important in Latin America because we are providing strategic materials and do not want them to get into Axis hands. Also the problem where Axis or Proclaimed List firms already have strategic materials.

Food Packages - Unpleasant and difficult problem because humane purpose. Material benefit to Axis, so prohibited. Still substantial traffic in food packages from Latin America to Europe, and we are anxious to have it eliminated.

Special Products - Radium, Petroleum, Industrial Diamonds. Radium - most fantastic methods to get out of United States and Europe. Industrial Diamonds and Radium are Ad Hoc'd out of General License. Petroleum is vital and Foreign Funds Control acts with Board of Economic Warfare to regulate flow to various parts of World to prevent building up of large stocks where might not always remain friendly or might be channeled to Axis. Diamonds for jewels not vital for war use, but industrial diamonds for drilling are important, and there is large traffic between Buenos Aires and Europe.

DuBois:

Trade Area consists of two types of countries:

1. **Blocked countries.**
2. **Non-blocked countries - better off than non-blocked country not in Trade Area.**

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