

Mr. Lorenzen:

Question:

The term "identifiable" is not clearly defined in the Law. Is "identifiable" property only such property for which documents or other papers are available? For instance, one claimant writes that he entrusted personal property to a transport agency but that the property was not allowed to leave Germany. The claimant has no records, and the forwarding agency also has no records, as it was bombed out, and cannot say whether or not it had been entrusted with forwarding the property in question.

Mr. Hartzsch:

Answer:

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The purpose of Military Government Law No. 59 is to re-establish the former position of the restitutee in so far as this is possible. To this end, the Law provides supplementary or alternative relief in cases where the confiscated property cannot be restituted in its former state because of changes in the legal or financial structure of an enterprise; because the confiscated property has undergone a fundamental change enhancing its value; or because of deterioration or destruction of the property.

In this connection, it should be noted that the phrase "identifiable property" is used only once in Article 1 of the Law, which is in the nature of a preamble. The substantive provisions (Part II - III) refer throughout to "confiscated property" as the property subject to a claim for restitution. Confiscated property is defined in Article 2 of the Law and refers to property to which a claimant was entitled, or to which he had a well-founded legal expectancy of acquisition as of the time of the confiscation. In view of the fact that the substantive provisions of the Law indicate that the property which can be claimed is the property existing at the time of confiscation, it must be concluded that the phrase "identifiable property" refers to property identifiable as of the time of confiscation, to which a claimant was then entitled, or to which he then had a well-founded legal expectancy of acquisition.

Mr. Dickman:

The definition of "identifiable property" has nothing to do with the question of evidence. A lift-van load of property was identifiable at the time of confiscation yet the claimant may have no papers or other evidence whatsoever and may fail to establish his claim because of lack of proof.

Mr. Weisstein:

According to the French Restitution Ordinance, "Property shall be identifiable at the time when the claim is brought forth".

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Mr. Cassoday:

The concept of "identifiable property" in Law No. 59 is different from that in the French zone for this reason: Assume a picture was taken from me in 1938, a valuable Rembrandt, and the only one of its kind in the world. I returned to Germany and ascertained that it hangs in the home of Mr. Smith. I filed a claim with the Central Filing Agency which was forwarded to the Restitution Agency. Mr. Smith was called in and he stated that the picture disappeared about two weeks ago - somebody must have stolen it. When property cannot be returned because it has been lost, destroyed, etc., the person in whose possession it was must pay the value of it. Otherwise concealment could defeat a claim for restitution.

*Returned prop  
or value -  
Prevents  
Concealment*

I might add a statement about the effect of war damage on the failure, or inability, to return property. I cannot interpret the Law, but can only tell you what the framers of the Law intended. Suppose a person lost a house through confiscation and, while it was in the hands of the restitutor, it was destroyed by bombing. In such case, there is no reason to connect the destruction with the confiscation of the house. German law says that if the destruction would have occurred regardless of the confiscation, the restitutor is not liable for the destruction. The person receiving the property would have a claim under any War Damage Law that might be promulgated in the future. The decision in each case whether or not any liability exists is up to the Restitution Court.

Mr. Schwenk:

I wish to call attention to Article 30 of Law No. 59, which covers this case. As Mr. Cassoday pointed out, the law refers back to German law, as you can see by paragraph 1. Consequently, you will have to apply the German Civil Code, Articles 275-280 and 323. Whether the restitutor was at fault or not is the whole question. This also applies in the case which was given by the first gentleman (Lorenzen).

Mr. Cassoday:

The sections of Military Government Law No. 59, to which Mr. Schwenk referred, were drawn with the idea of making a comparison of the subject matter thereof to stolen property as it is treated under German law. Because of the circumstances under which these things occurred, certain changes in the German law had to be made but the basic principle of stolen property as treated under the German Law has been followed throughout.

BERLIN

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Mr. Lorenzen:

Question:

What is to be done in a case where a building which was subject to restitution was destroyed by war damage but has been put into better order than it was before? Must the property be returned to the claimant?

Mr. Cassoday:

Answer:

The question is covered by Articles 30, 31 and 32.

Mr. Lorenzen:

Question:

These three Articles don't quite answer this question. The present owner has suffered war damage which would have occurred anyway, and he has put his own capital into the place. Has he a right to demand full compensation from the claimant?

Mr. Cassoday:

Answer:

That would depend upon whether or not the cost of improvements were taken out of the income of the property. If so, he would not be compensated, because the income of the property belongs to the person owning the property. Other provisions of Articles 30, 31 and 32 cover other aspects of this liability.

Mr. Benjamin:

Question:

Referring to the case where the claimant located the Rembrandt in the house: What right has he to enter the house?

Mr. Cassoday:

Answer:

The rights granted by Military Government rules covering "Search and Seizure" issued by Military Government several months ago.

Mr. Schwenk:

Also Article 35 of Law No. 59 pertaining to the liability to furnish particulars necessary to effectuate claims, contains special provisions covering this.

Mr. Weisstein:

Question:

The Ministry of Finance of Land Hesse has agreed to the restitution of real property which had formerly been confiscated by the Reich, but objects to the restitution of money, movable property, etc. Is the Finance Ministry of Hesse authorized to act in such a manner?

Mr. Cassoday:

Answer:

This becomes a question of what we would do under similar circumstances. Articles 19, 20 and 21 are applicable.

With respect to the effect of Currency Reform on Law No. 59. We are now working on that problem and we do not know all the answers. When we do get them, we will send them to the various Laender for what they are worth and instruct the Land Property Control Chiefs to inform the German agencies accordingly.

Mr. Linso:

amicable agreement

I am the representative of the Finance Ministry of Wuerttemberg-Baden. When we see that a claim made against us is well-founded, we agree to enter into negotiations with the claimant to reach, if possible, an amicable settlement. We also agree, to return whatever profits we have made since we have had the property under our control. However, insofar as claims for profits are entered against the German Reich, we refuse to recognize such claims unless the money involved has been received by Land Wuerttemberg-Baden itself, and is still in existence. Such claims against the German Reich for profits of former years, remain in the hands of the claimant until a law will have been promulgated to take care of such claims.

Mr. Cassoday:

There is no claim on the Laender. Any claim against the Reich for money will have to await additional legislation. Reich property is all blocked and could not be turned over to anybody until some law is passed. If you do not have the money or property, you cannot turn it over to somebody else.

Mr. Dickman:

I believe that the situation as handled by Wuerttemberg-Baden meets with no objection.

Dr. Janda:

Question:

Regarding the time limit - we have heard that an extension of the limit of 31 December is not contemplated by OMGUS. In most cases it will be impossible to meet the time limit for registration in the Commercial Register of former trade names as required by Article 88. Would it not be advisable to extend the time limit to meet this type of case?

Mr. Dickman:

Answer:

Submit your special case to us and we will advise you on the basis of the individual facts.

Mr. Cassoday:

The application for the reinstatement of a trade name must be made within the time limit but it does not need to be carried out until some time later.

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Dr. Endres:

Question: Can funds be taken out by the claimant of a confiscated property to pay for attorney's and other fees?

*can't advanced funds for attorney fees as foreign exchange rate*

Mr. Hartzsch:

Answer: No! Neither party is entitled to withdrawals out of a property for such purpose. General License No. 10 contains the words "in the name of and is owned by", etc. It is our opinion that the title is in dispute, therefore Property Control and External Assets Branch, as a stakeholder, is in doubt as to who the true owner is. Until a decision is rendered, therefore, no withdrawals can be permitted. Our duty is to preserve the corpus until such time.

Dr. Endres:

Question: Under General License No. 10, it is perhaps possible to carry out what I have just asked?

Mr. Cassoday:

Answer: Persons outside Germany who do not have unblocked Deutsche Mark accounts have to pay foreign exchange to advance the costs for trying their claims. Such persons may end up with Deutsche Marks which they cannot exchange outside Germany. I would suggest that if that problem keeps coming up that you talk the problem over with the Land Central Bank and suggest some arrangements to borrow money. We cannot authorize the use of funds out of properties by a claimant until he proves his claim.

Dr. Endres:

Question: The same question arises with regard to the restitutor who, at the present time, is the owner of a property and who in the past has paid out his own money.

Mr. Cassoday:

Answer: Under Article 52 an order can be issued preventing withdrawals from a property until disposition of the claims.

Dr. Westermann:

Question: Under Article 52, can the Restitution Agencies issue such an order?

Mr. Cassoday:

Answer: They would have the power to issue such an order, but for uniformity throughout the U. S. Zone of Germany, it would be better for Property Control to do so.

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Question:

Have many cases come up in the Laender where the restitutor has used funds from a property or properties for financing his defense?

Dr. Elbon:

Answer:

The Finance Ministry has examined the question, whether or not the parties to the restitution proceeding can take money out of a blocked account. Under General License No. 10 they have found that it may be possible. In cases where either the claimant or restitutor makes an application to use funds for such a purpose, this application is forwarded to the Restitution Agency, and

1. examination is made to ascertain whether the party has other funds, or
2. whether the party has reasonable prospects of success in the case. If both of these conditions can be confirmed, Wuerttemberg-Baden sends the application to Property Control. This is only regarded as a loan and at the end of the proceedings, the party will be required to return this sum of money.

Mr. Hartzsch:

Since title to a property is in dispute, it is not owned by either party, and, therefore, it is our feeling that a property cannot be subjected to such charges.

Question:

I have one question on the Wuerttemberg-Baden procedure. If a man has no money and he borrows from the account, how can he repay this sum when he loses his case?

Dr. Elbon:

Answer:

There is the possibility that he may have some other property.

Mr. Hartzsch:

We will get out implementation to cover this problem.

Mr. Cassoday:

I think the plan itself is reasonable, although in one or two respects it might be considered illegal under Military Government Law No. 52. We can consider it in working out some procedure so that people who have no money will not lose their property because they cannot defend the claim.

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We would appreciate a copy of the Wuerttemberg-Baden Regulations so that we can go over them. Are there provisions in German law enabling a poor person to bring a court action without payment of charges?

Dr. Elbon:

Yes. A Poor Law.

Mr. Dickman:

This applies only to Courts, not to proceedings before Restitution Agencies. How about the Public Attorney for Restitution under the Wuerttemberg-Baden implementing regulations? Why can he not step in in such cases?

Dr. Elbon:

It is true that in Wuerttemberg-Baden our Regulations provide for a prosecuting attorney for restitution matters but his jurisdiction is restricted to the prosecution of claims without requirement of any fee. We believe that a claimant should not be restricted to representation by a public prosecutor but should be able to select any attorney he wishes.

Mr. Hartzsch:

Question:

When the loan is approved, is there a limit set on the amount?

Dr. Elbon:

Answer:

Yes. The amount to be given under this plan is to be restricted to a certain amount. The application mentions a definite sum and justifies this sum. The fees charged by the attorney are also checked to see if they are reasonable.

Dr. Endros:

Question:

In a case where a famous picture, a Rubens, had been taken over by Goering, who should represent the property? Goering is dead. Should his wife be served with notice?

Mr. Cassoday:

Answer:

Notice should be served on any person who has a claim to or may have an interest in that property.

Dr. Endros:

But Goering's property has been confiscated by the Bavarian State.

Mr. Cassoday:

If the property is under Property Control custodianship, the present custodian, and the person actually in possession of the property, would have to be served. If the Land owns the property, then the Land should be served.

Dr. Endros:

Question:

What is the relationship of Law No. 52 to Law No. 59? Is Law No. 52 subordinate to Law No. 59 since the latter was promulgated?

Mr. Cassoday:

Answer:

Neither Law No. 52 nor Law No. 59 provide that property must be taken under control. Our policy now is that property will be taken under control in every case where a claim has been filed, the only time it is not taken under control is where no damage can occur.

Mr. Westermann:

Question:

Article 51 of Law No. 59 provides that the Restitution Agency or Authorities can presume the death of a persecuted person. What legal effect does such a presumption of death have? If the presumption of death is to facilitate the adjudication of a restitution proceeding, it is applicable to other purposes also?

Mr. Cassoday:

Answer:

When we wrote this provision, we had many different ideas as to how it should be handled. We found we could not depend on the German law, which in many cases requires a long time to establish such presumption. Everyone agreed that it would be better to have a presumption of death statute which would cover all cases that resulted from the war. The British have one and they had so much trouble with it that we did not want to issue a similar one, but we were not able to agree on a satisfactory one. Rather than delay the issuance of a Restitution Law, we put in Article 51, for good or for bad. It was only intended to cover cases under the Restitution Law and has no application to any other proceedings.

Mr. Dickman:

Comment:

We have to distinguish between two questions:

1. Which authority is competent for issuing certificates of inheritance?
2. What is the meaning of Article 51 of the Restitution Law?

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By KW NARA Date 9/23/70

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Entry OMGUS Prop Div  
File Prop Control  
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My opinion is by no means definite. First of all, it is a legal question and legal interpretations should not be issued by Property Division. Secondly, insofar as legal opinions or interpretations on questions such as these are issued by the Legal Division, we do not declare them to be binding on the German Courts. It is known to us that the Legal Division has passed on the question of presumption of death under Article 51 and under the German Civil Code. I will try to find this and will have it for tomorrow's session.

Following the question and answer period, Mr. Hartzsch asked the Land Property Control Chiefs to introduce their representatives.

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Afternoon Session

Calling the meeting to order Mr. Hartzsch asked Mr. Schwonk of the Legal Division, OMGUS, for a short report on "Venue".

Mr. Schwonk:

"The Implementing Regulations under Article 59 of Law No. 59, on "Venue", are of importance to the Central Filing Agency, as well as to the Restitution Agencies. Paragraph 1 of Article 59 providing for the transfer of such petitions to the district in which property subject to restitution is located sounds simple. However, there may be instances where claims of several persons are so related to each other that they should be handled by one Restitution Agency, although involving properties located in different districts. In order to simplify the procedure the implementing Regulations should, in such case, provide for venue in only one Restitution Agency.

The draft of the implementing Regulation on Venue, prepared by the Laenderrat, was submitted to OMGUS for approval. OMGUS approved the Regulation, subject, however, to certain changes. The Laenderrat redrafted this Regulation and assumed that the new draft should be resubmitted to OMGUS for approval. This is the reason why the Regulation has not been enacted and promulgated by the Minister Presidents. However, OMGUS has made it clear that no further approval is necessary, provided that the requested changes were made. The enactment and promulgation of the Regulation can now be expected in the near future.

Regarding the Implementing Regulation under Article 17, Paragraph 2, of Military Government Law No. 59, concerning valuation of properties which, because not now determinable, are at present not subject to property tax, Military Government directed the Laenderrat to draft such a Regulation by 15 January 1948. The Laenderrat thought that the requested Regulation could not be issued without considerable delay because no data for a valuation of assets concerned were available. The Laenderrat was, therefore, directed to issue an interim Regulation providing that, until general provisions on valuation were issued, the Restitution Chambers should themselves make the necessary valuation in each individual case, where pertinent to the decision, on the basis of all relevant data available. In view of the fact that the Laenderrat is no longer active, the

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Directors of the Offices of Military Government were requested to direct the respective Minister Presidents (in Bremen the President of the Senate) to enact and promulgate by decree the Regulation implementing Article 17, Paragraph 2, Article 1 of which reads as follows:

"Pending the issuance of general implementing regulations under Article 17, Paragraph 2, concerning the valuation of property which, because not now determinable, is at present not subject to property tax, the Restitution Authorities shall, of their own accord, effect the valuation necessary to decide the matter by giving due consideration to all circumstances pertaining to the individual case. A suspension of the procedure merely because the general implementing regulations provided for in Article 17, Paragraph 2, have not yet been issued, shall be inadmissible."

Mr. Cassoday:

The only reason why OIGUS approved this was so that there would be no delay of any case because of the absence of a uniform Regulation.

The meeting was adjourned at 1730 to be resumed the following morning at 0930.

Morning Session

3 September 1948, 0930 Hours

Mr. Hartzsch opened the meeting and asked Mr. Porter to report on the administration of the Restitution Law in Württemberg-Baden.

Mr. Porter:

In Württemberg-Baden, German Property Control Offices have nothing to do with restitution. The Restitution Authorities in Württemberg-Baden are under the Ministry of Justice, while Property Control is under the Ministry of Finance. This sometimes brings about conflicts, but cooperation between the two agencies concerned has been satisfactory. We had a lot of administrative difficulties in Württemberg-Baden, particularly with respect to procurement of personnel, office supplies, furniture, etc. Practically speaking, we are waiting for the termination of the denazification program in order to take over the equipment and supplies of this organization. We had a difficult and controversial problem in the matter of the procedure for the handling of petitions in amicable settlement cases. This was mainly caused by lack of sufficient instructions, which were not given for some time because the matter had to be cleared by a legal Division opinion. A number of amicable settlements were made without prior filing of the petitions with the Central Filing Agency. This condition was later corrected at our request and the procedure is now running smoothly. We have had some complaints that the cases are not completed quickly enough but we do not consider these complaints well founded in all cases because, as Mr. Cassoday remarked, a certain amount of time is necessary for the processing of claims by the Central Filing Agency, and it takes additional time to channel petitions from the Central Filing Agency through the Land Offices to the Restitution Agency. Further remarks on the situation in Württemberg-Baden will be made by Dr. Kuester of the Ministry of Justice.

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Dr. Kuester:

Wuerttemberg-Baden was very anxious not to repeat the mistakes of the Denazification Law. Accordingly, it began to make the Restitution Law operative immediately after its promulgation. After very satisfactory results in obtaining amicable settlements had been achieved, we learned that the procedure which we applied in Wuerttemberg-Baden was not in accordance with the wishes of Military Government. These difficulties have now been cleared up and I am very glad to agree with Mr. Porter that complete accord has been reached with respect to the handling of petitions in connection with amicable settlement cases.

Mr. John Guy, Chief of the Claims Section of Property Control Branch, OMG Hesse, reported on the administration of the Law in Hesse:

We have 10 Restitution Agencies which are subject to the supervision of the Land Office for Property Control and Restitution. Dr. Stramitzer is in charge of Property Control and Dr. Weisstein in charge of Restitution. Oberbuergemeister Kruecke of Wiesbaden has the honor of being in charge of the Restitution Agency in Wiesbaden which succeeded in settling amicably the first restitution case in Land Hesse.

From our experience 50 - 60% of the petitions filed are not in proper form. The information is often incomplete with respect to the time of the transaction, the purchase price and the question of whether or not the seller had the right of disposal of the purchase price. We have found that the Restitution Agencies are doing everything in their power to accomodate petitioners. Some of them have even gone so far in their assistance that they could almost be accused of acting as the agents for the petitioner. Many problems remain unanswered, for instance, what documents are required as a basis for an appeal; to what extent should the formal provisions of the German Law be applied in cases of amicable settlement, so that on the basis of such settlements transfer of title can be effected in the German land title registries; how should Property Control be advised of the disposition of the restitution case in order to release the property involved; to what extent are sub-lessees affected by such settlements; shall such sub-lessees be considered persons who have to be joined in the procedure? I believe that Dr. Weisstein will be in a position to elaborate on some of those problems and I would like to ask Dr. Weisstein to say a few words to us.

Dr. Weisstein:

The status of the restitution procedure in Hesse is as follows: During the months of April, May, June and July 1948, 432 petitions were received in the Restitution Agencies. Of these 432 cases action on 36, or 9 %, has been completed. We have, as yet, no figures for August, but it looks as if during the month of August as many cases will have been disposed of as in all previous months taken together. We expect to receive an estimated 15,000 to 20,000 restitution cases in Hesse. We had a very difficult problem, namely in the staffing of the Restitution Agencies. Only the heads of the offices in Frankfurt and Wiesbaden are lawyers, all the others are business men. I am glad to report that all these business men have demonstrated successful handling of their jobs. Nevertheless I would prefer lawyers for the key positions.

It is the main task of the Restitution Agencies to settle cases amicably. Unfortunately, the number of cases that were settled amicably is small. Among the 36 cases mentioned only three were disposed of by amicable settlement.

*D. Kuester*

*Stot*

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It is my strong desire that Military Government will not approve any requests for changing any of the provisions of Military Government Law No. 59. The experience had with the Denazification Law should deter any such action. If some stones are removed from the structure of the law the whole structure will fall to pieces.

Mr. Cassoday:

Earlier in the meeting, the question was raised as to why so much detail is required in the petition. I do not believe that the Appendix to Implementing Regulation No. 1, is too lengthy. We worded it so that only the minimum essential information is requested, necessary to enable the Restitution Agencies and the Courts to render decisions. Petitioners should remember that they are not asking the authorities to grant them favors. Therefore, a legal statement of a cause of action should be required.

It should be stressed over and over again that attempts should be made by the Restitution Agencies to effect amicable settlement in the interest of achieving speedy restitution. Then both parties are satisfied: if it goes to the court the losing party is always dissatisfied.

With respect to the question of personnel it is of the utmost importance that the public be satisfied with the people in charge of handling restitution matters. They should not be pro-persecutee and on the other hand they should not have records of ardent Nazism or anti-Semitism. In order to accomplish their jobs they must be considered by both claimants and restitutors as fair minded diligent people.

I agree with Dr. Weisstein in his attitude that the law should not be changed. The Restitution Law was enacted after 16 months of hard work, and the opinions of both German and Military Government officials as well as of the other occupation powers were taken into consideration. Of course, the Law does not and will not satisfy everybody; that would be impossible. But it is a workable law and there is no reason why it should be changed except for very compelling reasons. Persons who speculate that changes will be made are ill-advised.

Mr. Dickerson reported on the administration of the Law in Bavaria:

In Bavaria restitution is carried out by the Land Office for Property Control and Restitution under the administrative supervision of the Minister of Finance. Dr. Oosterle is President of the Land Office, assisted by Dr. Endros who is Vice-President of the office and who is in charge of restitution. Bavaria has five Regierungsbezirke with five Land Offices for Property Control and Restitution and five Restitution Agencies. At each Restitution Agency there is a Committee for Amicable Settlement. There exists also in Bavaria a so-called Restitution Council about which Dr. Endros will say a few words.

We are of the opinion that the carrying out of the program of restitution requires a certain amount of control and supervision. In that respect we have developed the following plan: After a petition has been received by the Restitution Agency, the Restitution Agency sends a report to my office containing the most important data extracted from the petition. These data are kept on record. A further communication goes to the field officer of Property Control in the Land. A member of the staff of the field control officer keeps track of the petition until its final disposition. He reports on the disposition to his superior officer and this superior officer reports to me on each case. At any time the records kept in my office enable us to check up on the status of each individual case. Within two weeks I will report to OMGUS how many cases we have received; how many have gone to the

*read basis of amicable or unamicable strong arm tactics*

Authority MND775057  
By KW NARA Date 9/2/92

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Entry DMGDS Prop Div  
File Prop Control  
Box 4 390/41/10/3-4

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Restitution Chambers and how the flow of cases through the Restitution Authorities develops. In one or two cases we have found that members of amicable settlement committees were either themselves people who have profited through persecutory measures, having acquired Jewish property, or people who had belonged to the Nazi Party or to some of its affiliated organizations. As soon as Dr. Endros learned about these cases he remedied this situation immediately.

*exception?*

Dr. Endros, Vice-President of the Land Office in Bavaria, reported on the Restitution Council:

This Council is limited in its activities to the development of general directives (Richtlinien) for restitution procedures. It consists of one representative each, from the Ministry of Justice (Ministerialrat Roemer who was most instrumental in writing the Law), the Ministry of Finance (Ministerialdirektor Ringolmann who drew up the draft of the General Claims Law), and the State Commissioner for Political, Religious and Racial Persecutees (Dr. Auerbach).

The delay in the processing of restitution claims is mostly caused by the inadequacy of the petitions. Our experience with respect to amicable settlement is better than the experience in Hesse, as reported by Dr. Weisstein.

We are of the opinion that Article 49, Par. 1, which calls for speedy and complete restitution ought to be implemented. It provides that the Restitution Authorities may deviate in individual cases from procedural rules, as provided by law, if to do so will serve to accelerate restitution. Precautions must be taken, however, to prevent such deviations from impairing complete investigation of the facts or the legal right to a fair hearing. It seems to be necessary to implement this provision so as to give the Restitution Authorities broader power to bring about a speedy restitution free from bureaucratic procedures.

*More leeway - results?*

Mr. Cassoday:

It does not appear to us that any implementation of this provision is necessary since you may deviate from established procedures as far as you want as long as the parties agree to the deviation. However, you must be sure that all parties in interest are parties to the agreement. Short of such great departures, you may deviate in the restitution authority within the scope of Article 49, but fitting the rule to the particular solution. We have been asked what type of reports will be requested by OMGUS. We will develop a scheme for the reporting of such data and we will certainly not ask for more figures and data than are necessary in order to be kept informed about how the restitution program proceeds and how the flow of cases develops. We must, however, be informed about all the phases of operation in order to detect flaws and weak points in the procedure.

Mr. Lorenzen reported on the situation in Bremen:

We have already received several petitions from the Central Filing Agency. In a few instances amicable settlements were made; other such settlements are pending. The office for Property Control is functioning as the Restitution Agency. We have not yet established a Restitution Chamber. The president and one member of the Chamber have been appointed but we have had trouble in finding a qualified second member. However, this difficulty will be solved soon and we expect that by 15 September the Restitution Chamber will be ready to function.

Mr. Hartzsch asked Mr. Cassoday to speak about the functions of the Jewish Restitution Successor Organization (JRSO).

Mr. Cassoday:

Owing to the Nazi program of persecution there are numerous instances where people were not only killed in the concentration camps but where whole families were wiped out. If you would have asked those people before their death, to whom they wished to leave their property, they most certainly would not have wanted the property to go to the German State to which it would normally go under the pertinent provisions of the German Civil Code. It is, therefore, imperative that the property of people who, under persecution, died heirless be transferred to a successor organization rather than to the State. I believe that the Jewish Restitution Successor Organization is the best representative of the interests of the Jews who died heirless. In the Laenderrat it was argued that a successor organization would probably be permitted the transfer of property to places outside Germany. However, Regulation No. 3, concerning the establishment of successor organizations provides that restituted property must be turned over to one or more German legal entities having the status of charitable organizations. The JRSO shall, within 30 days after acquisition of real property pursuant to Law No. 59, transfer title thereof to such entity or entities. Export of property other than real property requires an export license issued by Military Government. Generally, it can be stated that the restituted property will remain in Germany as part of the German economy and may not be exported. The Jewish Restitution Successor Organization may claim all property of Jews that comes within the provisions of Regulation No. 3. All claims for such property have to be filed with the Central Filing Agency not later than 31 December 1948. Between now and this deadline an enormous task will have to be done by JRSO. It is therefore absolutely necessary that all possible support be given to the JRSO. We have specified, in Authorization No. 1, the rights of the JRSO with respect to the inspection of files and records and I hope that the accomplishment of this program will have the whole-hearted support of all who are working in the restitution program.

Mr. Cassoday then read the individual provisions of JRSO Authorization No. 1, of 18 August 1948, and explained them in detail.

Mr. Ferencz, the Director of JRSO, was introduced by the Chairman. He explained the work of the Jewish Restitution Successor Organization. Until recently, Mr. Ferencz was with the Office of the Chief of Counsel for War Crimes in Nuernberg and is well acquainted with the organization of Military Government.

Mr. Ferencz:

As you all know, I have occupied myself with the Restitution Program only during the last two weeks. The carrying out of the program of restitution is not only part of the policy of Military Government in the United States Zone of Occupation, but this policy is backed by the American People as a whole. The JRSO is an organization established under the laws of the State of New York. It represents the greatest Jewish Organizations of the world. In order to carry out the program of the JRSO we had to establish an organization of our own in the United States Zone of Occupation with the permission of Military Government. Our main office is in Nuernberg. We have a planning committee consisting of Dr. Nussbaum, Mr. Kagan, and Dr. Weiss who will supervise the activities in the field. We have established branch offices in Munich and Frankfurt and we have the intention to establish other branch offices in Stuttgart, Mannheim and Kassel. We are facing tremendous difficulties in securing, in time, the information necessary for the

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filing of petitions with the Central Filing Agency. We have all the difficulties which any organization encounters which establishes itself these days in Germany, but there is an additional difficulty which is not quite as obvious. It is the suspicion that we have come to Germany to take property to which we have neither moral nor legal claim. I am confident that this suspicion will disappear after we have started to work. We are handicapped not only by the short time allotted to us but also by a limited budget. We are a charitable organization and must operate with a minimum of expenses. For the purposes of achieving our mission we need your assistance. Otherwise we will not be successful. The only assistance we ask of you is to give us the information which we absolutely need in order to file petitions before 31 December 1948. We must know the names of the Jews in Germany who were subject to persecution; we must know what property they possessed, where it is and in what condition it is. Fortunately, Military Government has already collected a great amount of this vital data. JRSO has suggested that it be permitted to proceed with the filing of petitions under a simplified form. We need understanding, assistance and help in our work and above all the cooperation of all American and German officials. I ask you for this cooperation.

Mr. Cassoday:

I want to add that among the key people of the JRSO there are a few whom we have known very well for a long time, namely, Mr. Kagan, formerly of the Office of Finance, Adviser; Dr. Klein, formerly with Property Control and External Assets Branch, Property Division; and Dr. Niesbaum. I am sure that you will cooperate with them and with the other people of JRSO.

Mr. Hartzsch:

I want to thank all of you for the work you have contributed to this meeting, for the interest you have shown in all problems presented and for the patience with which you have sat through the meetings. I want to thank particularly the interpreters and the secretaries for their most excellent work. The meeting will now be adjourned.

The afternoon session was spent in a conducted tour of the Central Filing Agency at Bad Nauheim.

HEADQUARTERS  
MILITARY GOVERNMENT  
LAND SALZBURG AUSTRIA  
DETACHMENT 7753  
APO 541

22 July 1947

SUBJECT: Report of Investigation.

TO : Commanding Officer, 7753 Military Government Detachment, APO 541, U S Army.

1. Pursuant to orders contained in letter, Headquarters 7753 Military Government Detachment, APO 541, U S Army, dated 11 July 1947, Subject "Transfer of Property", I have investigated the situation as outlined in letter Headquarters USFA, dated 9 May 1947, Subject "Transfer of Property Household Furnishings" released from Property Control Warehouse, Salzburg 9.

2. I have questioned all available witnesses as follows:  
Col. F. W. Hyde, AC of S, G-4, ZCA, APO 541, U S Army.  
Lt. Col. C. D. Blackford, S-4, Land Salzburg Area Command, APO 541, U S Army.  
Maj. Lawrence A. Laliberte, Real Estate Officer, APO 541, U S Army.  
Capt. Howard A. Mac Kenzie, M G Property Control Officer, APO 541, U S Army.  
1st Lt. O. Oltman, Real Estate Officer, APO 541, U S Army.  
1st Lt. K. Roberts, Hq. ZCA, APO 541, U S Army.  
Cpl. Cribbs, Property Control, APO 541, U S Army.  
Miss Spohn, Property Control, APO 541, U S Army.

3. The following statements have been examined and are attached, as exhibits, as follows:

Letter - Capt. Howard A. Mac Kenzie, 7753 MG Det., APO 541, U S Army. Exhibit A.  
Letter - Maj. Lawrence A. Laliberte, Real Estate Officer, APO 541, U S Army. Exhibit B.  
Index - to file mentioned in Par. 4, this report. Exhibit C.  
Copy of receipt from Lt. Karl Roberts re: Schloss Rief, Exhibit D.

*Holocaust Museum  
WENTWORTH  
Box 1*

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4. The 7753 MG Det., Property Control File, in possession of Lt. Col. John F. de V Patrick, has been examined as to M/Rs and correspondence concerning the property from the Property Control Warehouse. This file remains in the hands of the Commanding Officer, 7753 Military Government Detachment, APO 541, U S Army.

5. a. Property at 36 Imbergstrasse was occupied by Lt. Col. Richard L. Jewett, and memorandum receipt for property from the Property Control Warehouse therein was signed for by Lt. Col. Jewett.

b. Property at 17 Nesselthaler Gasse was occupied by Col. Ladue, and memorandum receipt for property from the Property Control Warehouse therein was signed for by Jack H. Cole, 2nd Lt., Chief of Staff Section, USFA. According to Mr. Cloud, Property Control, 7753 MG Det., APO 541, U S Army, this property was removed to Vienna by Col. Ladue.

c. Trapp House was maintained as a V.I.P House and the property from the Property Control Warehouse was signed for by Lt. Ross Trapphagen, Ho. 42nd Div., Artillery.

d. Property in Military Government Offices, Courthouse Salzburg, consisting of two rugs, was signed for by 1st Lt. E. E. Menges, MG, APO 541, U S Army, on requisition dated 8 February 1946 (This requisition is in file "C" as listed in Exhibit C of this report). It is believed that these rugs are still in some office in the Military Government Building but have not been found.

e. Property at Schloss Rief was occupied by Col. E. E. Hume, and memorandum receipt for property from the Property Control Warehouse therein was signed for by Capt. Fred R. Brownard, 3-5 Section, USFA. A receipt for the above is listed as Exhibit G to this report. Property Control, Salzburg, believes this property with the exception of the silver, to be in Schwimmschule Strasse 15.

6. Summary: There has never been a complete inventory made of the Property Control Warehouse, according to information received by the investigating officer. Property in some cases has been moved from one location to another without proper notice being given to the Property Control Office. Property seems to have been drawn and correctly signed for in most cases. The records of M/Rs and other receipts are badly mixed up while nomenclature is not standard and might cause some property to be mentioned twice.

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7. Conclusions:

It appears that the records on this property are in confusion, evidently due to some handling by Property Control, Salzburg; AC of S, G-4, Salzburg; Vienna Area Command, Vienna; and Real Estate, Salzburg.

According to Capt. Mac Kenzie, Salzburg Real Estate has the correct list of shortages which are not those stated in USFA letter in paragraph 1. The USFA shortages are, according to Capt. Mac Kenzie, based on an antedated list.

8. Recommendations: That a Board of Officers be appointed to examine the records of this property and set up a control system.

That glassware and china be dropped through fair wear and tear where indicated.

That Officers living or having lived in houses containing property from the Property Control Warehouse be held morally responsible for any losses of such property during their occupancy.

That Officers having signed M/Rs and leaving on permanent change of station without a proper clearance of such property from the Property Control Warehouse be held financially responsible

CULLUS M. MAYES,  
Major - Cavalry,  
Investigation Officer.

319085



C O P Y

**A Magyarországi Izraeliták Országos Iróddája  
Central Board of Jews in Hungary**

Rehabilitation Fund of Hungary has, in accordance with the purpose of the Peace Treaty concluded with Hungary. The ownership of the properties, rights and interests of Hungarian Jews, who died without legal successors, devolves to this Board. In consequence of these legal provisions the values of the "Train of Gold" would be received by the demonstrably and identifiably rightful owners, and in case the would-be successors, or the successors of the Hungarian Jewry, would be received partly by the demonstrably without successors, or the successors of the Hungarian Jewry, would be put to the account of the Hungarian Jewry. In the spring of 1944, when the Germans invaded Hungary, the Fascist Government of Hungary, by special discriminatory rules against the Jews, by special discriminatory rules against them to make them report of their property, later these properties were confiscated and the Hungarian Jews were obliged to deliver their gold and other valuables like guns, armbands, carpets and their objects of art to the "Financial Authority". These collected valuables were abstracted and taken away to Germany on the so-called "Train of Gold" for the purpose of advancing the German war effort. The valuables were taken from the "Train of Gold" and placed in the possession of the French Jewry in charge of the "Train of Gold". The French Jewry, in charge of the "Train of Gold", is further in the possession of these valuables. We have been informed that the plan of the United States to hand over the values in charge of the French Jewry, being from the Hungarian Jewry to the Refugee Commission of the United Nations Organization. This alleged resolution may induce the French authorities to similar action.

As the legal representation of the Hungarian Jewry, we protest against these projected measures, and asking that these values should be placed at the disposal of the Hungarian Jewry, we call your kind attention to the following facts:

The values of which the United States authorities took possession by the seizure of the "Train of Gold" are forming unquestionably the demonstrated and partly identifiable property of the Hungarian Jewry. The Hungarian Jewry suffered immeasurable losses in human lives and property owing to Fascist inhumanity. 600,000 Hungarian Jews lost their lives in Nazi concentration camps. The remaining values of the 200,000 Hungarian Jews, who survived, are on the "Train of Gold", and we think that the greatest injustice would befall these people if they could not get back even their remaining few valuables after what they have been through.

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The Republic

The Republic of Hungary has established the Jewish Rehabilitation Fund by Act no. XXV/1946, the purpose of which is in full accordance with the contents of Article 27 of the Peace Treaty concluded with Hungary. The ownership of the properties, rights and interests of Hungarian Jews, who died without legal successors, devolves to this fund and it will use them for the relief and rehabilitation of the survivors. In consequence of these legal provisions the values of the "Train of Gold", if returned to the Hungarian Jewry, would be received partly by the demonstrably and identifiably rightful owners, and in case the owner died without successors, or the successors cannot be traced, they would be put to the use of the community most severely persecuted and damaged by Fascism.

Compliance with our request does not only correspond to natural law and equity, but it also follows from the provisions of Sections 2 and 3 of Article 20 of the Peace Treaty concluded with Hungary, as we have doubtless proofs that these valuables were abducted from Hungarian territory after January 30, 1945. Furthermore, allow us to mention the fact that the Hungarian government is just creating a rule permitting that a part of the Hungarian Jewish valuables in question, necessary to meet the recognized foreign claims laid against Hungarian Jewry, should be used abroad and part of these valuables should be stored abroad further in any place to be chosen freely by Hungarian Jewry.

hoping that the above-said will convince you of the justice of our standpoint, we remain

Respectfully yours,

(Sgd) Dr. Ernest Munkacsy (Sgd) Leopold Stauder  
Manager-Director Vice-President

of the Central Board of Jews in Hungary

(Sgd) Dr. Marie Reiner (Sgd) Samuel Rehak-Bankl  
Vice-President, Legal Advisor President

of the Autonomous Orthodox Israelitic Religious Bodies in Hungary.

319088



# TELEGRAM RECEIVED

16-57112-1 GPO

From: SECSTATE

Date: June 20, 1947

TO: VIENNA

No.: ~~436~~

Barr  
B48132

Code:

## UNCLASSIFIED

Received: June 21, 1947

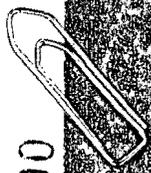
To avoid criticism based on misunderstanding facts, request you arrange with USACA issue press release upon turn over Hungarian Gold Train to IGCR or such other occasion as appropriate. Should be cleared with representative IGCR and date release coordinated with Joint Distribution Committee Paris which plans issue supplementary statement regarding use of proceeds. Request substance following be included in release.

So far as known, so-called Hungarian Gold Train belonged to Jews of what is now Hungary, Slovakia (Czechoslovakia), Transylvania (Rumania); SS loot brought into U.S. and French zones Austria; return of particular items to individual owners would be impossible both because of difficulty identification and death, emigration, transfer sovereignty; delivery to IGCR accordingly made by theater Commander pursuant directive this government governing valuables looted from Nazi victims which cannot be restituted; directive is U.S. interpretation Article 8 Paris Reparations Agreement which provides "non-monetary gold" used assist non-repatriable victims Germany; action pursuant agreement Paris, June 14, 1946 by five powers charged with implementation Article 8 (US, UK, France, Yugoslavia, Czechoslovakia) by 16 signatories; Paris Reparations Agreement 90 percent proceeds "non-monetary gold" will be delivered American Jewish Joint Distribution Committee and Jewish agency for Palestine for use on approved projects

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Authority NND 969000  
BY AT NARA DATE 12-3-98

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PROJECTS OF RESEARCH AND DEVELOPMENT. If estimate value  
not feasible, subject knowledge to make available to the  
reports.

UNIT NUMBER 100, type London 2056.

SECRET

DECLASSIFIED  
AUTHORITY: NND 96 9000  
BY AT NARA Date: 12-3-92

AAT

Munich, February 1. 1947.

OFFICE OF MILITARY GOVERNMENT FOR BAVARIA  
APO 407  
Monuments, Fine Arts and Archives Section  
Central Collecting Point, Munich

Subject: Report of progress of restitution of Hungarian art objects.

To: Mr. EDWIN C RAE.

Yesterday I received some letters sent from the Museum in Budapest and forwarded by our Mission in Frankfurt, which contain the list of the objects still missing, belonging to the Museum and some information about the private collections which are supposed to be in the US-zone of Germany. As with exception of the XVI. century Italian playing cards, which have been left behind, the other three objects are not here, I shall get in touch with director Csanky, in order to state, if they have been removed to Germany at all.

Professor Oroszlán wrote me, that Mr. Jessenszky, Chief of Department in the Ministry of Education, is preparing the list of the cultural objects scattered in the US Zone of Germany and Austria. Since you point out that investigation is only possible, if sufficient details are given, I shall hope to have my government use the formular of investigation claim, so that the claims may be put in the proper form required. For instance, Prof. Oroszlán mentions a golden service of Empress Josephine which has belonged to the antiquarian Szilárd, was taken by Rajniss, forwarded to different persons in turn, and has finally come into possession of an American officer named Granville. Since I cannot possibly present a claim grounded upon a private letter but only upon an official statement written in English I shall request my government to do so. The details given in the letter are, in addition, so incomplete, that there is no starting point whatever to begin investigation. I should have to know, when and where Granville took it into possession, and if possible, where, in which unit he served at that time. If it is known where the item is now, the task would be much easier.

I have tried to explain that as for the procedure of investigation, it is not just a matter to claim the lost objects, and fetch them if they have been found, but that it is a very delicate problem, as an immense amount of cultural objects, removed from all the countries formerly occupied by Germans, have been collected and partly scattered all over Germany and Austria and, as you point out, it needs the most scrupulous examinations, a long and careful procedure, defined by strict rules, in order to avoid possible abuses. Besides, in most cases, the objects have been removed since from the place they were left, and by the present difficulties of transportation and mails, investigation meets many obstacles. Your American investigator, who went to Vilshofen in search of our objects seen there by many persons, got the information, that they are no more there and SS commando Herterich, who would know more about it, is in some concentration camp, so that we have to ask for the assistance of the American Intelligence Service to find him. As I understand the proceedings of investigation

*Mund*

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Authority ND 77507  
By CP NARA Date 9/2/8

RG 260  
Entry A. Hall  
File OMGUS  
Box 318

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that has been recently established and made known to all of us, foreign representatives, in our meeting the other day, the representants of claimant countries are not supposed to search by themselves, but only accompanied by an American, or German official of the Art Collecting Point, on orders issued by Restitution Branch, in cooperation and under Control of the American, and when necessary, of the German authorities of the place, where the objects are supposed to be located. In case, the objects are found, and the validity of our claims properly proved, they may and must be taken under property control of the local Military Government, and finally restituted to us. Depending on the different difficulties, that may arise, that procedure may take considerable time in the different cases and though I know my Government is very anxious to get it's property back, as soon as possible, I am not asking for special favors that could not be granted to the Dutch and French. Considering also the very limited number of the investigating personnel, however, I find it very important to at least start these investigations while I am here, by presenting the claims, getting the necessary or possible further information, in order to give the most possible clues to start with. I trust that my Government will take action to furnish the necessary information.

According to the ruling of your headquarters, of the four pictures of the Museum of Fine Arts, given to different nazi leaders, for the time being, we can claim only those, which were presented after the 15. October 1944. But may it not be that, if we can prove, that even before that date they were not given away with the consent of the competents, but by the arbitrary decision of some ruling fascists, which was in fact the case, we may get them back? I shall try to get the official statement in English, as to when, where, to whom, and by whom these pictures have been presented. As you know, of these four pictures, only the Adams is here in the Collecting Point, the Lenbach, which I thought was ours, is unfortunately only a very similar one, with light difference, but anyway, not the right one. For an other, the Szinyei Merse, and also for the Lenbach, I talked and wrote to different people, former art dealer of Goering, art expert of Ribbentropp, etc. up to now with not more result than getting further names of persons, who may know something about them, of whom the one is now in a concentration camp, the other lives somewhere in the country and we shall have to find out first his address.

As you suggested, I shall try to have a formal claim with documentation for the pictures of the Herzog collection, some of them of great value, Grecos, Zurbaran, Corot, Gauguin, etc. which have not been returned to Hungary, as the Herzog heiress, baroness Weiss, who lives now in America, claims the whole collection. She also claims moreover the pictures belonging to Istvan Herzog and to the late Andrew Herzog, and as well as a picture that had been duly sold during the war to Hitler, for golden pengoes, so the Hungarian government could claim them back on these grounds.

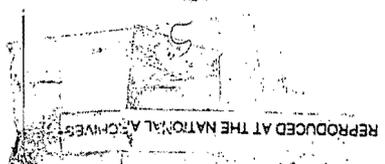
I now realize that we are not supposed to get back the pictures sold during the war, as I erroneously wrote to the Museum, having been an allied of Germans, so I presume, there is very little possibility of a claim on the ground of sales done under pressure for an unduly low price.

State-secretary Nyarady phoned me yesterday from Frankfurt, that the Ministry of Education and the Museum of Fine Arts are impatient to see the objects left behind, returned as soon as possible. I am afraid that they are not sufficiently informed about the work, that is going on here, and it is very difficult to give them an idea about it from distance yet knowing the

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Authority	ND 77507
By	KN NARA Date 9/20/78

RG	260
Entry	A. Hall
File	OMGUS
Box	318



RG 226  
 Entry = 190  
 File # 123  
 Box 30

*AM*

MEMORANDUM

July 4, 1945

To: Mr. Daniel J. Reagan  
 From: Paul C. Blum

Herewith some random notes on Safe Haven matters jotted down during a conversation this morning with a fairly reliable source.

1. Reichkreditgesellschaft, of Berlin, has a large participation in the Chinese Railways of Shantung Province, China, in partnership with the Banque de l'Indochine.

2. Baron STAVBROUCK, of Montreux, is said to have sold Royal Dutch Shares in Switzerland for certain hard-pressed people in Holland and to have asked 4500 Swiss Francs to cover his expenses. He is reported to have done the same with Dutch art.

3. DICKENS, German lawyer, long a resident of Lugano, is said to have saved the EMDEN family of Hamburg in a similar fashion, and also to have been royally well-paid for it.

4. People like WENDLAND, the art dealer, are difficult to get after because they are often in partnership with one or more dealers in a single, valuable painting. WOTRUBA, an Austrian artist and friend of WENDLAND, is said to be leaving for Paris shortly to settle these joint accounts of WENDLAND's. Someone by the name of WEINHEIM(?) is believed to be WENDLAND's partner in New York.

5. PLESCH is said to have been involved in the racket of selling real estate in Honduras, the purchaser to receive Honduran nationality in return. Investigation continues.

6. Dr. Kurt MAULAZ was a high SS officer and head of the Economic Section of the SD in Paris during the occupation. He has dual nationality and is reported to be living quietly now at Wallis, in Switzerland, as a Swiss citizen. He is believed to be the one most responsible for the economic pillage of France, yet little is known about him because he always acted with great discretion. He invented the method of putting up neutrals to purchase confiscated French industries: the French thought these men were independent agents and were saving the particular plant or firm. MAULAZ worked closely with CAESAR, of the Reichsbank, former Chief Commissaire for Foreign Banks in France.

319093

RG 226  
Entry = 190  
File # 123  
Box 30

AW

June 18, 1945

To: Mr. D. M. Maynard  
From: Paul C. Blum

1. I refer to your request for further information regarding Kurt Erich VOSS.

2. A source close to Mr. Bührle states that VOSS approached Bührle early in May, 1945, with the following proposition: for a "reasonable consideration" he would see to it that certain damaging documents in Bührle's dossier, particularly those concerning the picture dealer, WENDLAND, would be made to disappear. VOSS claimed to be able to do this through his connections with a Mr. GORDON and a Mr. SMITH, American members of the "Allied Experts Commission (?)".

3. I give you this story of blackmail for what it is worth. My source is good but he is quoting Bührle throughout.

319094

RG 260  
Entry PROPERTY CONTROL  
File PH-129  
Box 11

REST

9 April 1949

MEMORANDUM

TO : General Clay  
SUBJECT : Property Control

1. Attached is a rewrite of the history of Property Control. No changes of any note are made, except to indicate the law on disposal of Reich Property being held pending receipt of French and British reactions.

2. It is assumed you intend to deal separately with External Assets, Reparations, and External Restitutions.

PHILLIPS HAWKINS  
Director

Incl: a/s

Tel: 43773  
Rm 2036 Econ Bldg

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RG	260
Entry	Custody Division
File	PH-129
Box	11

File  
"Prop. Cont."

PROPERTY CONTROL

Another task of huge size was the control of property, exercised by a Property Control Group which in the headquarters offices and in the field never exceeded 300 American personnel. Under our directives we were required to take under control all properties of the Nazi Party, its affiliated organizations, and of prominent Nazis, and to block their accounts. With certain exceptions, Reich properties were also taken under control. A majority of the properties excepted were used with our permission by the states for governmental purposes. In addition, we were to take control of the properties of citizens of the United and Neutral Nations, and of all duress property; that is, property acquired in the Nazi Regime from persecutees of the regime. Fortunately, the German office corresponding to our Office of the Alien Property Custodian had maintained excellent records of United Nations-owned property, which came into our possession.

The magnitude of this operation was surprising to us as it grew from the 2,600 properties taken into control by July 1945 to more than 107,000 at peak, valued at more than 1 1/2 billion Reichmarks; of which 14,600 were properties of citizens of United and Neutral Nations, 31,500 were duress, and the remainder principally properties of the Reich or of Nazis. Altogether, during the entire period, over 150,000 properties have been under control. Included in this number was the property of the German Labor Front which had started with the properties of trade unions and cooperatives seized by the Nazis and which had become a Nazi-financed empire to include the People's Car Plant, a retail food chain with over 12,000 outlets, a labor bank, an insurance holding company with 10 subsidiaries, 36 industrial enterprises, and extremely substantial realty holdings in all four zones. An idea of the size and scope of the organization may be gained by noting that it is understood to have owned, or controlled through ownership, approximately 15% of the German economy.

In March 1946 the Laenderrat was called upon to submit a plan for assuming custody of much of the property, which until that time had been under custody of US personnel. The implementation of this plan presented a difficult personnel problem, as it was necessary to designate German

319096

RG	260
Entry	PROPERTY DIVISION
File	PH-129
Box	11

custodians; and qualified custodians, free from Nazi affiliation, were difficult to find. In joint conferences, it was arranged for the several state governments to assume custodial responsibility of all controlled property. However, in order to give United Nations and Neutral owners more protection, acts of custodians dealing with <sup>U. N.</sup> their properties, required prior Military Government approval in all cases when such acts were not within the ordinary course of business. Otherwise, the German officials operated under the broad directives issued by Military Government, subject only to our general supervision. In May 1946 the transfer of these properties to state controls was placed underway, and was virtually completed in September 1946. A spot audit in August 1946 indicated that only a few of these properties were operating at a loss.

In April 1947 the Control Council enacted legislation which for the first time made possible disposition of Nazi holdings taken from trade unions and cooperatives through the return of the identifiable property. However, the enactment of this law still left us with the difficult problem of identifying and returning this property. Physical properties taken directly and held in the Labor Front were easily identified and promptly made available for return. However, there remained duress property taken by the Labor Front but sold and resold to different owners, and additional properties bought from earnings or from Nazi Party funds. Trade unions and cooperatives wanted all of this property restored. However, we were not willing to make an arbitrary decision, establishing title in these disputed cases, and insisted that it was a German legal matter to be handled by German courts or legislation. While the trade unions were not satisfied, they did express appreciation for the actions first taken in the US Zone. While this problem is still not fully resolved, state officials and trade union representatives have in recent months met a number of times to try to reach mutually satisfactory agreements, which have in fact done much to solve the problem.

In June 1947 arrangements were made for foreign owners to designate their own agents who would be directly responsible to the owners. These interests included such major enterprises as the Opel Motor Plant (General)

RG	<u>260</u>
Entry	<u>Property Division</u>
File	<u>PH-129</u>
Box	<u>11</u>

Motors), Standard Oil of New Jersey, National Cash Register, Kodak, Lever Brothers, and others. In October 1947, foreign owners were informed that they would be given until March 1948 to designate their own agents, after which time Military Government proposed to turn the remaining properties over to the German State Property Control Agencies, exercising only general jurisdiction. This plan was carried out.

In November 1947 after months of fruitless effort to obtain a quadripartite law and also a bipartite law, United States Military Government enacted for the US Zone a restitution law which provided for restitution of identifiable property taken by duress, with right of appeal in contested cases through German courts, and with further right of appeal to a Board of Review composed of American lawyers. Claims, which had to be filed by 31 December 1948, exceeded 215,000, over 90% of which were filed in the final month.

To ensure that the property of the many Jewish people who were killed in Germany without heirs would not benefit German holders, a Jewish successor organization, formed by the recognized world Jewish organizations, was authorized to claim and receive all heirless Jewish property, to include valuable cultural property. Thus, the legal course to restitution was established and is now in process. Approximately 1,000 cases have already been disposed of, and excellent progress is indicated. <sup>H</sup> In January 1948 the states were authorized to take title to and dispose of property owned by Nazis, confiscated in denazification proceedings, and also to return property to owners cleared in these proceedings.

In June 1948, captured German equipment demilitarized or not suited to Military usage was transferred to a German State Corporation for sale in the German economy. This equipment was valued at RM 340,000,000 and it was badly needed to facilitate recovery.

In March 1949 a Military Government law was approved to transfer title to Reich properties to the German states in which located, subject, however, to any provision which may be enacted by a West German Government if formed under the basic law then in preparation in Bonn. Promulgation of the law was withheld until , pending receipt of word from the British and French Military Governors as to their desire to issue parallel

RG	<u>261</u>
Entry	<u>Property Division</u>
File	<u>PH-129</u>
Box	<u>11</u>

legislation simultaneously.

By March 1949, Property Control had reduced the number of properties under control from 150,000 to 54,539, of which number 30,761 were duress properties, 7,131 were properties still subject to denazification proceedings, 4,591 were Reich-owned, and 8,815 were properties of citizens of United and Neutral Nations. Most of the latter group are under DM 10,000 in value and owners of such properties are being advised of their imminent release from control. Plans now call for the complete release of all except duress properties, which must be kept under control until settlement of restitution cases, and those of persons categorized as important Nazi offenders, which must be controlled until disposition of their cases by the denazification authorities. Dissolution of Property Division, except for maintenance of the central records and a small Property Group at OMGUS, is scheduled by 1 July 1949. Supervision and custody of remaining duress and individual Nazi properties still under control will thereafter be the sole responsibility of a German Committee functioning under OMGUS observation.

The work of Property Control in protecting foreign properties and in formulation of a just internal restitution program has received much quiet commendation. Its prompt and vigilant actions also prevented the concealed transfer of title and loss of much Nazi property. The statistics speak for the volume of its work.

RG 260  
Entry PROPERTY DIVISION  
File PH-129  
Box 11

*File*  
*" Property Control "*

**PROPERTY CONTROL INTERVIEW**  
**EXTERNAL ASSETS**  
Between

DR. DORN and

- MR. MILLER
- MR. DANIELS
- MR. HARTZCH
- MR. PORTER
- MR. BURGESS
- MR. CASSODAY

July 13, 1949

RG 261  
 Entry Property Control  
 File PH-129  
 Box 11

MR. MILLER  
 MR. DANIELS  
 MR. BURGESS

MR. PORTER  
 MR. HARTZCH  
 DR. DORN  
 MR. CASSODAY

MR. CASSODAY: One thing I'd like to ask, is that (meaning report in front of Dr. Dorn) in sufficient detail as far as chronological history is concerned. That is just what happened, what the policy was and why.

DR. DORN: I think, yes, as far as the policy is concerned. Often what is actually done has not come out so forcefully, or do you have that feeling?

For example, if there are major questions of policy, <sup>involved in the resignations of</sup> Nixon and Bernstein, the exchange with the State Department, resignations and things like that.

~~They turned up~~ <sup>turned up that</sup> the other day in a labor discussion and it was something none

<sup>only</sup> of us could see. ~~Even Clay didn't know it for a while or realize it,~~ that MacSherry went to Sydney Hillman for advice. For about a year, I think it was <sup>turned up that</sup> Sydney Hillman who was the man that really laid down <sup>own M.G. policy</sup> the line on labor policy.

A thing like that can come out in discussion and I think it is important.

MR. CASSODAY: As you say, probably one reason that we don't have much action is that the policy, as originally laid down, the original plans were <sup>from the</sup> changed outside without any more information being gathered in OMGUS, so that the main activity or administration of policy within OMGUS or within Europe has been the investigations and, I guess, that is pretty well covered there. We never had a great deal to do with the external assets policy after the passage of Law (75), handled at governmental level.

DR. DORN: Handled directly from Washington.

MR. CASSODAY: By the States I want to save this part until Frank gets here. You remember Randolph Paull who was appointed as Special Negotiator. At that time, we would get the State Department dispatches, not the Department of Army dispatches, to keep us informed and we had to send back comments.

DR. DORN: Negotiation in which you were not represented.

MR. CASSODAY: No, so that is why there are vacancies in that report.

DR. DORN: <sup>27</sup> ~~That~~ would be useful to help the historian to say, well, now, this is not Military Government operations, this is a Washington function and we are simply carrying out international agreement.

MR. CASSODAY: Let's leave that out. Were there any more details and facts you wanted on that report?

DR. DORN: On Property Control?

RG	260
Entry	Property Control
File	PH-129
Box	11

MR. CASSODAY: The reason I ask that is you could write a ten volume book on it, but there is a limit to that.

DR. DORN: Your own feeling with regard to what is there and what is not, might be of some use, if you want to comment on it.

(Dr. Dorn informs the reporter that the report is entitled "Special Report on Property Control, History, Policies, and Practices.")

MR. CASSODAY: Is there anything further in that that you left out?

*Sept 1948*  
MR. HARTZCH: No, except that an awful lot has gone over the dam since that was written. As you know, in June, last year, General Clay approved the liquidation program of Property Control. Let's leave out the word "external assets" because that was a shotgun wedding. We each went our own ways. The program provided that we would be out of business by July 1 and during that time, we should turn back as many properties as possible that we have under control to the owner, successor in interest, or to the Laender, who really are successors in interest. With that as a goal, we started out in June and had about 95,000 properties under control valued at about 11 billion Reichsmarks. At the present time, with the exception of the duress properties which we just can't get rid of under Law 59, we have hit the mark to about 97 per cent and a few stragglers will be out in next month; so during that period, and especially since this report was written in November, dated November, written in September, we naturally had to do a terrific amount of implementation and explanation, promulgating laws, etc. Under each heading--I don't know if it is necessary to repeat different headings, but there were United Nations, Nazi individuals, Nazi party, Reich, external loot and duress, and then we have a miscellaneous catch-all category.

DR. DORN: Some of these operations are completed?

MR. HARTZCH: In fact, all of the operations are about as follows: With respect to the United Nations properties in the entire area of control, we handled 16,974 properties valued at 2,349 million Reichsmarks. As of this minute, we have 3,048 left valued at nearly 223 million Reichsmarks, so with respect to numbers, we have accomplished our goal. In United Nations properties, 82 per cent and with respect to value, 91 per cent, and as I said before, the remainder will be out within the next two months. We are now in the process of turning over them to German courts and a few, about 100 or so, are in the process of decontrol. So, we will let that process take the normal time, rather

RG	<u>260</u>
Entry	<u>Category 1/2</u>
File	<u>PH-129</u>
Box	<u>11</u>

than check over reports now. With respect to Nazi Party members, we handled 74,257 properties valued at 3,471 million Reichsmarks. At the present time, we only have 3,391 with a value of 392 million, so there with respect to numbers, we have returned to their owners or, in the case of confiscated properties, turned them over to the Laender, 95 per cent, and with respect to value, 89 per cent. The big reason for that discrepancy is one property--the Krupp properties, which have not yet been returned, at least of the writing of this, been turned over to the Land. With reference to external loot, we handled 7,333 items valued at 89 million Reichsmarks. At the present time, we merely have 598 left valued at 17 million. Let me go back to Nazi members for a minute. Those properties that are left belong to Category 1 and 2, preliminary classified people or probationers. As you know, we cannot release them until the Spruchkammer decision is made or the probationary period is over, so the program as far as we can go is 100 per cent complete.

MR. CASSODAY: Are you off of external loots there?

MR. HARTZCH: I am getting on to it. The same holds true for external loot. The remaining properties we cannot get rid of until further policy decisions are made.

DR. DORN: What is included in this concept of external loot?

MR. HARTZCH: External loots are properties that were taken by force from outside of Germany and employed in Germany. This is external restitution. Internal restitution comes later.

MR. CASSODAY: Just one thing. That doesn't include any art. That is all kept separate by the branch of restitution and then later, reverberations restitution.

MR. HARTZCH: That will include all the art and then in addition to this figure, will be a lot lower than your external restitution program because these were in a lot of cases, small items that weren't related to big movements. In earlier days, when they were dismantling and shipping at the same time, the property might have been placed under temporary Property Control, never inventoried because it was moved out too fast, especially in Bavaria. Bavaria did more in taking under control for restitution purposes than any other place.

DR. DORN: Because she had more.

MR. HARTZCH: Well, even then, it was way out of proportion. The other Laender used it sparingly, some industrial equipment being restituted. Very

RG	260
Entry	PROPERTY LOSS
File	PH-129
Box	11

seldom done in Property Control, but horses and cars and grand master paintings and all the rest of it, well, that kind of stuff.

DR. DORN: Streetcars?

MR. HARTZCH: Streetcars were in use. But don't try and compare our Property Control figure in external loot with any other.

MR. PORTER: In Wuerttemberg-Baden, so far as restitution, external restitutions were concerned, we didn't step into it at all. As they completed their operations, they moved it out so that a good number of items actually never appeared. You see, it was a temporary control without actually being taken in a form of control, as a matter of record, because it was moving out too fast, because they'd get hold of it, claim it and move it out.

MR. CASSODAY: We'll move on to PC1 and PC2. PC1 is a notice to give to the owners saying this is subject to Property Control. It was a method of bringing to the notice of the inhabitants that this place is under Military Government supervision.

DR. DORN: Are you referring to the French period in the occupation of Wuerttemberg-Baden. I wonder if there is any record of that?

MR. PORTER: I remember some of the consequences of that French period, but for the record, I think all I can speak about is the time when we got into Wuerttemberg-Baden ourselves, and, as we started operating--

DR. DORN: The 7th of July?

MR. PORTER: Even then, it was a matter of locating these things, but we never took them under formal Property Control. We were trying to trace these things down, but it was an operation that we had no really authentic record on because, as I say, the procedure that was used in Wuerttemberg-Baden up to the very last was handled by restitutions and they used this PC1. They coordinated with Property Control to the point of saying, we are coming in. We are going to crate this stuff and ship it out, so that there is no record from the Property Control point of view of what values were involved and what items were involved. I recall streetcars and derricks and all that kind of stuff all over the place.

MR. DANIELS: Those values and records will appear. Remember Mr. Miller told us this is only one part of the branch here. The other part, the external restitutions and reparations branch will have all those figures.

DR. DORN: (Speaks off the record.)

MR. HARTZCH: The next large group of properties were that of the Nazi

RG	260
Entry	PROPERTY Division
File	PH-129
Box	11

Party organizations. We handled 7,677 units valued at 1,237 million Reichsmarks. At the present time, we have 346 units left valued at 269 million marks. As to numbers, the program is 95 per cent complete and as to value, the program is 78 per cent complete. There again, we have gone about as far as we can go. Of that, 346 units left, 340 are located in Berlin. The 340 in Berlin I am told will be out by the first of September. The reason for this delay is due to the fact that Control Council Directive No. 50 was only implemented within the last two months within the City of Berlin.

DR. DORN: Still out in this report?

MR. HARTZCH: The six properties left in the Zone are units of the Bank für Deutscherarbeit.

DR. DORN: DAF.

MR. HARTZCH: DAF asset but the labor bank. The reason that is being held is for pending liquidation. An agreement has been reached whereby laborbanks would be organized in the Laender and the last I heard was that when they are organized, they will be named as a liquidating agent. Now that might all be changed, but I heard rumors that General Hays didn't feel that the banks not organized should be liquidated but at least the agreement reached in Frankfurt two months ago was that they would organize a bank and be a liquidating agent, so there again, the program has been extremely successful in our opinion. Then, the last tremendous group with 4,946 units of German state property valued at 3,103 million marks--

DR. DORN: Reich?

MR. HARTZCH: Reich and Laender property.

DR. DORN: You have left the Nazi Party.

MR. HARTZCH: Yes.

DR. DORN: Most of the DAF things have been liquidated?

MR. HARTZCH: Those are out except 6, with the exception of what is in Berlin. They will be transferred to the Laender in accordance with Control Council Directive 50. With respect to the German state, as you know, within the last two months, Military Government Law No. 19 was passed and provided in general terms that these properties would be transferred to the Laender in which they are situated. At the present time, we only have 137 of such properties left valued at 290 million marks, so this program is 97 per cent complete as to number and 91 per cent complete as to value. In this situation,

RG 260  
 Entry PROPERTY CONTROL  
 File PH-129  
 Box 11

we again have gone as far as we can go because about 137 units are units which are exempted from operations under the law, such as iron, steel and coal industry units, all on HUFA.

MR. CASSODAY: HUFA are 83 or 85 in the Zone.

MR. HARTZCH: So then, you see, the program has been 100 per cent successful.

DR. DORN: In some of these units.

MR. HARTZCH: In HUFA, yes. We had a ridiculous situation in I.G. Farben where, at one time, 8 agencies all thought they were running the thing. We just held the bag in case anything went wrong so we got out of that situation.

DR. DORN: Now, come to I.G. Farben. We handled 168 units valued at 785 million marks. At the present time, we have none of these units under control. As you know, they have all been transferred to trustees, various economic groups that were split and various trustees appointed for each economic unit. So far as Property Control is concerned, it is out and the trustees are handling it. That, briefly, is the history of what happened in Property Control, and three-quarters of it happened since that report was written. Now, there are certain things in my opinion which handicapped us quite a bit, mistakes which, if we had to do it again, and I hope we never have to, I think retarded the program quite a bit as it is. I think it was wonderfully thought out by the men in Washington before we ever came here because most of the policies which they predicted and planned were carried out, the manner of handling properties, the manner of controlling, etc; however, I made a few notes yesterday--

DR. DORN: May I ask you, these policies were already being shaped by the Economic <sup>Warfare</sup> Board?

MR. HARTZCH: They were. It was probably the Economic Warfare Group. They did some of the planning.

MR. CASSODAY: The general governmental planning all came into SHAEF head-  
 quarters for implementation; in other <sup>words</sup>, I know there was the Treasury and State and FEA and, I think, Justice was even in on that, the Property end of it. They all submitted what they were interested in, but I am pretty sure that it all ended up with Bernstein's outfit in G-5 of SHAEF, which later became G-5 in USF <sup>ET</sup>. In the early Military Government Manuals, the first time, it was all written down in '44 and that was what they were teaching in these Military Government Schools.

RG 260  
 Entry Cassoday's  
 File PH-129  
 Box 61

DR. DORN: You have a feeling that the early planning was excellent?

MR. CASSODAY: It has not been implemented much.

MR. HARTZCH: JCS 10-67, that was our Bible which later became Law 52, the part which pertains to Property Control; however, the early handbooks which Mr. Cassoday mentioned, the detailed manner of handling property, your reporting, your not permitting long leases, your continued payment of custodians, all those things which make up Property Control, were all in the early manuals. We have changed them because some of them didn't quite fit the situation, but the basic thinking was extremely sound. Talking about reporting, for instance, in the early manuals, you had to get a monthly report, but we found out that the time lagged and in handling nearly 110 thousand properties which was our peak in one time in a wide area, it was ridiculous to require monthly reports, so we put that down to quarterly and semi-annual reports. Another thing which we would change, if we had to do it again, and I assume we would do it, would be the handling of the personnel problem. I had another thought in mind, but I am coming to this one since I had it written here. In the early days, we were taking properties right and left and just when we had our experienced Military personnel well placed, they were all redeployed. The men who had studied at universities, they were sitting in England for a year or six or nine months and just as business got good, they went out and strangers came over who didn't know a thing about it. Our peak in taking properties under control was May and June,

DR. DORN: '45?

MR. HARTZCH: '46. At that time, we took ten thousand in May and 14 thousand in June and dropped off to 5 thousand in July and went down. During that time, when everybody was redeployed, I came over, in April. They were almost out and they brought over a new bunch that didn't know anything about it, so naturally that lead to a lot of difficulty and there, my recommendation would be that they have some arrangement that after they take these beautiful training courses, they stick a year and a half after they get on the ground, rather than leave three months later when they have enough points.

DR. DORN: <sup>Hitting</sup> leaving everybody amidships.

MR. HARTZCH: Another problem which we had in the early days was getting satisfactory custodians. Your manufacturer's associations in the States did a wonderful job. I don't know if you are familiar with the forms, but Singer

RG	260
Entry	Cassoday
File	PH-129
Box	11

Sewing Machine had a plan<sup>t</sup> over here. They filled out this form for their own association--Jones is a good engineer and we trust him and if you can get him in as a custodian, we would appreciate it. That is the background, but that was not official, so I would recommend the next time when they have anything like a TFR 500 form, you remember that was a form where everybody declared their foreign assets, if he had anything to do with real estate, even as a supplement, they should say that. We should get them to state who they would recommend as a custodian and if they could not get him, who else they recommended. That comes up to decontrol. We wouldn't have to go through this period of UN problems, of asking these people to decontrol. We would merely say, when the time is ripe, we will return this property to you and assume the agency you recommend as your agent is satisfactory. That would save a terrific amount of expense and time. We could send the individual letters, the owner, at least three times and there could be press releases. etc.

MR. CASSODAY: After all that, they got to Paris and the foreign ministers came up there and said that they really wished that the Occupation authorities would take some steps to allow the owner to return to the management of those properties and would they please give us a list. We were all set for them.

MR. HARTZCH: So that, in that case, we would make that recommendation with regard to US properties and then have our planners ask Allied nationals to get similar information from their nationals. That would save a good deal of time and lots of unfavorable publicity because one of the big headaches was having someone ask, why did you put John Schmultz in as custodian. He was no good. Obviously, when you are taking 10,000 properties in a month, you are going to make some mistakes and that would be avoided and it would save an awful lot of time.

MR. CASSODAY: In connection with that same planning, when you take control, all during this decontrol program, we had troubles. We started with one of Bernstein's programs we had. We took control and kept control and worked for the owner until June 1946 when communications first became open. It was then first possible for a person to mail a letter to someone in Germany and say, get a license and do this for me. We announced our decontrol program within a week. We had it ready in a day and there<sup>was</sup> only a mechanical holdup. It was all approved and within a week, we announced a whole program and wrote to each of the owners and it then became evident that a lot of owners didn't want to

RG 260  
 Entry PROPERTY CONTROL  
 File PH-129  
 Box 11

decontrol. They felt in asking them to sign a release, it was releasing us from liability during this period. It appeared that we had suddenly become in a position of acting for them and having to account for them and we couldn't get out from under control and it was an attitude, I am not speaking of every one, an attitude that has held up the whole thing and if we can--

MR. CASSODAY: And those people who said, why don't you let me appoint my agent, they have been the last to appoint agents. A person came into our office before we announced that program and he said one of the greatest things you can do for the American owner of business is to allow him to appoint his agent and run his business in the normal course. I said, by the time you get back to New York, you will be able to do that. He came back three years later. In line with these comments, I think, it would be a good idea, when we take a census in a country that that census is forwarded to us by the government. This business of taking control for protection purposes, that information that Fred suggested should be included. If we take it on any other basis, as a letter from that individual, we should write back a letter at that time, saying that at such time as transactions of communications are allowed, we will give him three months in which to decontrol his property to an agent of his own choosing, at the end of which time, if he has not picked his agent, we will give it to a custodian he has nominated, and if one is not nominated, we will take it to a court. In other words, we will tell them that if we take control, it is temporary to protect him. Don't you think that would be a big help?

MR. HARTZCH: Along that line.

DR. DORN: That essentially did develop.

MR. CASSODAY: It took us 4 or 5 years to do it. They would rather have us take the responsibility.

DR. DORN: Of course, Berlin is a situation where they would have Military Government running it just because of the Russians. There they had an excuse, but down in the Zone, they used the same excuse.

MR. HARTZCH: Briefly, the recommendation is that when they get the information they could get just a little bit more and then it could be used by the Property Control Research group.

MR. CASSODAY: The Property Control should be advised who it is and what he has to do on it.

MR. HARTZCH: Another headache we had, not in too many cases, but enough

RG 260  
 Entry PROPERTY DIVISION  
 File PH-129  
 Box 11

to annoy us, was a case of UN properties being allocated as DP camps. We have had some beautiful homes turned over to DP's and what they have done to them, is a matter of record. It would appear that when a Commanding Officer assigns camps for DP's, that there would be some way he could check to see if the United Nations owned it. Obviously, the illwill created and much of it was, could be avoided. I mean that that was a case where you could get trouble all the time. During the war, these people said, you can use it because I can't. I had to go home because things were threatening. Now we have won the war and it is tied up for 3, 4 or 5 years with DP's who do not protect the property, but strip it down to a point where it is absolutely worthless. There again, we could have taken a little precaution ahead of time. We have numerous other records which would show that. I think it was a big mistake.

MR. CASSODAY: Of course, here's one thing in justification of that. When we took over the compound in Frankfurt, they took over the houses in there for billeting. There wasn't any DP's, we were using it for the U S Army, but some Americans don't care whether they take care of furniture or not. I heard of one fellow who moved out and took the whole household of furniture with him. Anyhow, they had to take over certain areas and sometimes, they needed every house that was standing, but as Fred pointed out, it was a source of friction which, if it can be avoided, it would be worth avoiding.

DR. DORN: In some of these cases, you wouldn't admit it could have been avoided.

MR. CASSODAY: In some cases where a man found a nice house out in the country and decided he wanted that one, well, it could have been avoided. They could have paid attention to it and still gotten enough billets.

MR. HARTZCH: Another problem was that of the early days of accounting where all these monthly reports were all forwarded to the Deputy Chief of Property Control. As you know, later we decentralized to Land level. That broke continuity, was poor management and, eventually, we did decentralize to Land level. It would appear better, if we had to do it over again, that certain areas be mapped out and that area that is occupied, a central accounting office be set up there, rather than taking the entire country. Because of the loss of time in transmittal, alone, it sometimes took two months from the controller to the DCP. Something is going wrong and that is what they are supposed to detect quickly from their statements. They would be too late. First of all,

RG	260
Entry	PROPERTY DISPOSITION BOARD
File	PH-129
Box	11

the accountant got his reports in three months after the event. Then it takes two months in transmission. By that time, the cows are stolen and the barn is empty; whereas, if they had a smaller area like the Land, the chief accountant could quickly analyze the statement and call right back and that's what we did a year and a half afterward.

DR. DORN: '46.

MR. HARTZCH: '46 and it went into early '47. Well, offhand, until somebody else refreshes my memory, that is our story and, at least, the headaches that I could think of since I was notified of this yesterday.

MR. CASSODAY: One thing, I think that in the nature of accomplishment, I guess Fred was the only one in on that one and that is that back in '46, everybody said you can't let the Germans do this or ~~that~~ <sup>do that</sup>. Well, I don't know what got us to do it, but it was one of the luckiest breaks that Finance and Property Control ever had.

MR. HARTZCH: I know what got us to do it. You recall the Property Disposition Board.

DR. DORN: Yes.

MR. HARTZCH: Their recommendations came out in March of '46 and the preliminary thinking was done in the latter part of '45 and by June of '46, the entire plan was crystalized and in operation, but the Property Disposition Board made the final recommendation and we got the go-ahead signal.

DR. DORN: Did the Laenderrat play a role?

MR. HARTZCH: They sent a Dr. Pollock a letter in which the recommendations of the Property Disposition Board were outlined to him and the Laenderrat was asked to come up with numerous things for a program accepting control of properties, interim awards law which they accomplished, restitution law 59 which never really was completed but, as you know, they started. We had to impose

DR. DORN: We had to impose that.

MR. HARTZCH: That's right because they couldn't give us quite the program we wanted and also they were asked to tell us how they disposed of every category of property under control and whether the people who wrote the laws know it or not, their recommendations were largely followed. It is amazing when you think back, that was early '46 that their recommendations, for instance, giving us these things to follow, but that was a result of your Property Disposition Board. Then it went to the Laenderrat and then they came up with

RG	260
Entry	PROPERTY DIVISION
File	PH-129
Box	11

early recommendations.

DR. DORN: That happens in so many fields because there you might say, here's an institution that was set up for that with a very deliberate purpose and fairly responsible to Germans, <sup>underneath</sup> while at Land level, still, ~~the~~ operation was in full force, Military Government operation.

MR. CASSODAY: I was going to say that up in Berlin, we had everybody in managing property. If a fellow came along looking for an assignment in the Army, they would say, you go over to Custodians in Military Government, so we were not getting the best experienced personnel, and, at the same time, we were costing the American taxpayer a lot of money. I think that our experience in turning it over to the Germans as soon as we did, within a year after the end of the war, has turned out well enough so that it can be recommended highly again and even today, we are fighting sometimes, other policies. They say we can't get the Germans to do it, but we did it with a hundred thousand properties and you are worrying about 100 properties. Now, then, you have to know what the Germans are doing and as we had our reporting system set up, they have to let you know enough facts to find something wrong.

DR. DORN: Do you know what kind of an experience the British have had in this matter?

MR. CASSODAY: They have never turned it over.

DR. DORN: That's why they needed so many officers. They still have 12,000.

MR. HARTZCH: Furthermore, they have no statistics. They admitted that.

We tried to exchange statistics with them, but they have no idea how many properties they have under control and the amount, no idea and they have no central statistical office. I don't think very highly of it and I wouldn't suggest repeating their system. I have one more thought that comes to mind and that is the terrific difficulties in getting anything promulgated and agreed. I suppose it is necessary redtape, but we have examples where a paper has been delayed and we were unable to get the necessary concurrences, either because people were overworked or something, where it took 8 to 10 months to get something through. In the early days, it was awful hard to dispose of property when your own organization is holding it up, so I should think that there is some way of getting legal concurrence, have a person attached to the division from the Legal Division, on Legal payroll rather, but somebody who would be assigned to the important branches of Military Government.

RG 260  
 Entry Property Control  
 File PH-129  
 Box 11

DR. DORN: Didn't you have a Legal Advisor?

MR. HARTZCH: Well, he still wasn't attached to Legal and everything that went out was under Property Control.

MR. DANIELS: You mean, eliminate the necessity of getting formal concurrence.

MR. HARTZCH: Eliminate it or have him do the legal work and anything he says regarding Property Control, the chief will okay because that has been a ridiculous situation because we have had things here as high as six months and where time was of the essence and it is ridiculous. There again, this program would have been completed, in my opinion, at least six months ago if some such system were followed.

DR. DORN: That is one advantage we had in Denazification Committee. <sup>Coordinating</sup>

MR. CASSODAY: In that case, he could go and talk the legal point of view to the Director.

MR. HARTZCH: I didn't know another organization used that, but I should certainly recommend it.

MR. CASSODAY: I think you were the only one with it.

DR. DORN: They are doing it now with BICO down there. <sup>Are they not?</sup>

MR. CASSODAY: I came from Kirk Heyholds. He is the Legal Advisor there.

There have been a lot of people, for instance, Forest Hammar was a Legal Advisor.

RG 260  
 Entry PROPERTY DIVISION  
 File PH-129  
 Box 11

MR HARTZCH: The point is to have somebody in Legal Division who can concur with them. It is easy to figure out how much it would have saved.

MR CASSODAY: Another thing that we have noticed in the last year that I think everybody in the room will agree with, before that, when you get to the top of the headquarters, like General Clay, to approve a long time program with the idea of accepting a certain result, well, then you get things done faster than you can possibly by working on your own and suggesting them, and it is always hard for someone or other to come up with an original idea and sell it all the way to the top unless the necessity is there. We had to wait for the time Property Division was formed. It went out of business. Up to that time if you had tried to sell the idea of getting properties out of control, it would have been much more difficult than if we had gone up to General Clay and said here is our plan for going out of business. I don't know how you can carry that out because you can't blame it on the General because he never had got it up there before, but there is just a certain amount of putting first things first and letting long time planning go. That would only be carried out by requiring each division to outline six months periods in advance or something like that, what they planned to do in the next year or six months.

DR DORN: Of course, that is a problem that confronted Military Government at every stage.

MR HARTZCH: I think they tried to do that with functional programs whereby we tried to forecast what we were going to try to do in the next six months, the theory being that if the powers that be thought, they could criticize.

MR CASSODAY: What became of it nobody knows. You were never held to that program, and another thing, of course, that has always been the trouble on a lot of individual points, is that it requires a major policy decision, can we tell a UN owner now is the time you are going to do something. Now, let's go to the State Department. If the time is not right, State sits on it six months or a year. I don't know whether it is State; it is Washington, State or War or what. They hold up the decision on it.

DR DORN: Didn't you have pretty close relations with POLAD?

MR CASSODAY: Oh, yes, we always worked very close with them, but there were certain policy decisions that were hard to get. Would you agree with that?

RG	260
Entry	PROPERTY DIVISION
File	PH-129
Box	11

MR MILLER: Yes.

MR CASSODAY: What I mean I had in mind a couple <sup>of months</sup> in restitutions that we actually waited seven or eight months for acceptance, two cables. We were withholding the property. We couldn't retribute it.

DR DORN: An appeal to Murphy didn't produce action?

MR CASSODAY: Well, he knew it, that is, not personal appeal. This plan was all for concurrence and so forth, and as I say, if something, I don't know the answer myself, but if something can be done with establishing time schedules and sticking to them with respect to getting those programs and those time schedules approved where change of policy was necessary. I don't think we could have gotten rough with UN property owners in 1946, when we were talking about turning over to the Germans. Nothing was going to happen to the property. We were going to withdraw a little further from the property. We were never going to get the American representative to okay so many transactions. We had to extend it. General Clay was on our side. I mean the time wasn't right, and if you got those things approved and announced them six months in advance to the people, got all that preliminary work out of the way, had six months to do it, you could accomplish programs faster. Once it got to General Clay that something was to be done, then we could get it done in a hurry.

DR DORN: It is a problem of what things should come first?

MR HARTZCH: Basically. I think the program went along extremely logically.

DR DORN: I have the notion that it is one of the most remarkable operations of Military Government.

MR HARTZCH: Provided that special care would be given to UN properties. Obviously we had to insist upon approving certain things, otherwise those agreements meant nothing. When you consider the volume of work done and in General Clay's words, it dwarfs the Alien Property Custodian's operation to accomplish this in an orderly fashion in a few years, I think it is well done.

DR DORN: That is my feeling. I think that it has that reputation among Germans <sup>that</sup> ~~who have~~ preserved Nazi property with a great deal -

MR HARTZCH: I think it has prevented an awful lot of chaos, and the property we preserved of Nazis who were guilty, we preserved it so payments could be made to the oppressed, so in the long run I think the program did an

RG	260
Entry	PROPERTY DIVISION
File	PH-129
Box	11

awful lot to stabilize things and the Nazis who were declared innocent, assuming they were just decisions, -

MR CASSODAY: One thing we did which if we had to do over again, the number of properties we took under control as a protective measure, but not necessary after 1946, because I don't know how many the total amounts to, you found a car on the street that belonged to an American, not a property control matter in ordinary times, taken off the street and if not called for, liquidated according to the local laws; but we had all sorts of stuff like that. There wasn't anybody else around to do it. I think personally we could have gotten out of that program a little sooner.

MR HARTZCH: I would rather have that comment in small print because it was a tiny part of our program, probably percentagewise you couldn't figure it except in thousandths as a percentage in value. I wouldn't want it to get an undue portion of this report. It was annoying, but not the main problem. The average size was 100,000 Marks. Then as the decontrol program developed after six months the average size dropped to 60,000, so you see we are still dealing with big properties. There were about 800 tiny properties which were annoying but infinitesimal.

MR CASSODAY: It increases your work. One example is, and we had this early, we had a lot of bombed out buildings. The only possible control there was the protection of bricks that were left. The valuable stuff had been looted or bombed out. It isn't worth a custodian.

DR DORN: May I put a question to you in that connection. I was down in Frankfurt some time ago. I was trying to get an answer to the question why hasn't Frankfurt cleaned up, why hasn't Frankfurt started out on a building program like Stuttgart. I was given the answer, whether correct or not, I don't know, so much of this property was under control, so much of it was Jewish property, and Jews had meanwhile left Frankfurt. Is that thing so important that it could serve as a drag?

MR HARTZCH: I wouldn't say that except that we must admit that Frankfurt was a -

MR CASSODAY: 14,748 in Hesse.

MR HARTZCH: There is an awful lot of Jewish property in Frankfurt, and naturally if an owner has the feeling that he is going to lose that property

RG 260  
 Entry PROPERTY DIVISION  
 File PH-129  
 Box 11

through a lawsuit under Law 59, I know you and I would both be reluctant to remove the debris until I knew where I stood, so it might have some merit to it.

DR DORN: I have heard it from one source.

MR HARTZCH: I believe Frankfurt next to Berlin was the largest Jewish city. It is also true that Hesse has 43,000 duress properties, had at least at one time units under control, wait a minute, 14,000, and I would venture it is safe to guess to say at least half of that is in Frankfurt, so that might have some merit.

DR DORN: You are very skeptical.

MR PORTER: I am very very skeptical about that because actually in Stuttgart the whole program of rehabilitation, reconstruction, removal of debris, and everything else went ahead regardless of properties under control. Bricks were piled up, removed, and arrangements were made to safeguard those. Workers were actually supplied. I saw the same thing happen in Mannheim.

MR CASSODAY: That was city work not individual.

MR PORTER: It was a regular program. The understanding I had of the situation in Frankfurt is they have never developed a program along definite lines to eliminate the debris.

MR CASSODAY: If it is a problem.

MR PORTER: We can work that out.

MR CASSODAY: Get out a memorandum any expense in connection would be a legitimate expense and would be reimbursable.

DR DORN: There would be a thousand different ways for intelligent people to get around that.

MR HARTZCH: I noticed one thing politically in Hesse. Whenever we have anything to do with Nazi properties which was in their favor we got terrifically quick action. It is amazing what statistics will show. Whenever we had anything to do with UN properties, we got extremely slow action.

DR DORN: From the same people.

MR HARTZCH: From the same organization. So, for my observation, Hesse is extremely pro-Nazi, and it might also indicate some merit to this argument, because in Wuerttemberg-Baden we had percentages, you would see the percentages

RG	260
Entry	Property Losses
File	PH-129
Box	11

there were no difference between UN properties and Nazi properties. You take Hesse and you will find that 98 per cent of Nazi members' properties were released from control in a very short time compared to only 74 per cent for UN properties, which is the lowest in the entire zone, except Berlin; however in Wuerttemberg-Baden it is about 90 per cent in every category. I have noticed that right through the minute we issued an order favoring Nazis, it went out quick. It came quick within one month from last to first, within one month, as soon as they found it out. The whole organization down there annoyed me. This might be another reason. I don't know whether it is the administration. According to the statistics that would be my impression, and they went right to work right down to the very end, and I honestly think this terrifically strong drag-heels program in Hesse applies to everyone but Nazis. That is why I am saying if you use Stuttgart and Wuerttemberg-Baden for an example, everything is good as far as property control, is good; in Hesse some of it is awful.

MR PORTER: I know in Stuttgart they gave a lot of thought to start with to the matter of reconstruction, rehabilitation, cleaning up the city, before they started; but when they started, they started on a very well organized basis; and the same was true in a number of cities in Wuerttemberg-Baden, and I haven't seen anything comparable to that in Frankfurt or Hesse. I have heard from German sources that not very serious consideration has been given to the actual matter of cleaning up Frankfurt.

MR CASSODAY: I think that is another thing, a FWA project of keeping people employed during the blockade. That is a city-wide thing paid by the taxpayers. I think that is probably true in Stuttgart.

MR PORTER: They used prisoners, forced labor of some of the prisoners. They actually worked out their sentences by cleaning up the streets, but they worked out a definite program.

MR CASSODAY: There is another suggestion I would make the next time, that we definitely set a minimum value and we will not take under control, we can't bother with French cars and old clothes, asking restitution, the time and money spent on it isn't proportionately worth it, American money, leaving out German custodian time and the letters are not worth what the object is.

RG	260
Entry	PROPERTY DIVISION
File	PH-129
Box	11

MR HARTZCH: That is interesting. I agree to that 100 per cent. I would mention in that report the Germans in their allied property custodian instructions -

DR DORN: The pre-collapse?

MR HARTZCH: When they never took anything less than 60,000 Reichsmarks. Obviously that meant the other items might have been blocked, but that is all. Such a rule would also be very valuable.

MR CASSODAY: Of course another thing we suggested very late that if you are going to set it anywhere near 50,000 Duetsche Marks instead of 1,000, to take under control, but to liquidate the interest for the benefit of the economy and the owner rather than hold it. We took stuff that we could have sold for at Reichsmarks and converted at much more than their present value now no longer scarce. Just a few cases, they are the little ones that bother you where you have got a stock of goods necessary to the economy, the owner can't export them and can't use Marks. We have Congressmen writing about it, all this expense, for something not worth a lot of money. If we do take into control something worth protecting for the owner, we ought to have the authority to liquidate.

DR DORN: I would like to put another question that is irrelevant but on which I think you people have an opinion with respect to the factories put under control and put back into operation, have any of you had a feeling that denazification was a major or serious deterrent to recovery or getting these plants into operation again?

MR HARTZCH: Well, I feel definitely that we had some plants where all of the experienced men were mandatory removals and we had to start out with terrific handicaps.

MR PORTER: - Law Number 8 especially.

DR DORN: In September, 1948.

MR PORTER: We had terrific difficulty. We had people we were moving and a number went to the British zone or French zone, were cleared, and put into important positions, and we were looking for technicians to run these plants. I happened to be in the field at that time, and it was hard to find men to take over enterprises. You could always find butcher, baker, candlestick-maker. When you required technicians, chemists, engineers, and so forth -

RG	261
Entry	PROPERTY DIVISION
File	PH-129
Box	11

DR DORN: Didn't the temporary license system help?

MR PORTER: No. In the administration of what whole procedure we found that nobody was approved. We put in applications to make exceptions until we could find competent men. In most cases we were bogged down.

MR HARTZCH: We had a similar terrific handicap coming back to reports. In the early days we were required to get a certified statement a few times a year. Every certified public accountant less one per cent was a Nazi, so we finally eliminated that requirement by accepting any bookkeeper's statement.

MR PORTER: Except for the annual statements.

MR HARTZCH: Except for that we couldn't get them certified. It came in two years late. There is another along the same lines we were talking where this denazification thing hampered us at the very beginning.

DR DORN: How long was it a serious deterrent?

MR PORTER: As far as I recall it was a deterrent until the latter part of 1946.

MR DANIELS: I would say even longer than that, maybe not directly, but our property control was one of the main instruments in enforcement of denazification. You had thousands of properties taken under control, the owner taken out, the property managed by some stranger, and generally in many cases not handled as well as the owner would handle it himself, not interested in it, and with all kinds of opportunities for ways of the custodian helping himself a little at the expense of the owner of the property. We held that three years with the result of turning it back to the owner. Nothing was accomplished by all that. That could have been avoided, and I think it could have been in the denazification procedure by some other method than by giving these presumptive classifications.

DR DORN: Ordinary labor.

MR DANIELS: You can't take that many properties. The accumulated effect of that must be something.

MR CASSODAY: Here's one thing. We got 74,000 total under control in that category, and we confiscated about 1800. There are 3,000 left. Let's say all the bad ones are left. We have got about 4800 properties that were rightfully taken under control and 70,000 that were not. If you went in on an attachment in the States and did the same thing, the courts would not issue

RG 260  
 Entry Cassoday's  
 File PH-129  
 Box 11

attachments on the percentage of wrong indictments. I think it gets into the question, maybe the fault of the district attorney, maybe the fault of the Spruchkammer undersentencing the persons, some place between the two we had 70,000 properties where the only punishment was the effect on the economy in the American zone as opposed to the British and French zone. The effect was that we threw out of those plants the competent men to run it where they were not touched in the British zone, so during these three-year period these others were building up and getting ahead of our factories. They were not able to change policy or methods. It was just kept status quo. That is, I think the only thing a plant suffers from being under property control. It will not go into new risks will not go into new lines of business, will not keep up with the times or make long time commitments. They are in the preservation business. That is where you suffer.

MR DANIELS: Besides all the ill will and hard feeling we made by kicking a man out of his property and he finally gets denazification, fined 1,000 Marks or less than that, and he says what were you holding my property for?

DR DORN: I have a feeling we seized too many properties.

MR DANIELS: The only purpose or justification is here we have got it to turn over to the confiscating authority. That only happened so rare that we were never -

MR CASSODAY: It wasn't our fault. It is a fact that should be considered next time. In other words, I would personally recommend that except in I don't know how you would define it -

MR HARTZCH: Major offenders.

MR CASSODAY: We had all major offenders except in those cases of well known notorious cases where you would be in awful bad shape to let somebody get away with his property preference pending denazification, you wouldn't be in as bad shape. That is a bad way from a justice point of view, to use rule of thumb, but let them manage their own business. That gets into your Law 8 stuff again, and keep our custodian out, and make it a criminal offense for him to sell it.

MR PORTER: You would have gotten the same result. The majority of cases will say we expect to be around. Another matter of it is the amount of the fine. They would have actually submitted the reports, any requirements we

RG 261  
 Entry Currency Bureau  
 File PH-129  
 Box 11

imposed.

DR DORN: Isn't it a fact that our thinking has changed in three years?

MR CASSODAY: In 1945 I was all for and still am all for the idea that a person who profited while Nazis were in power, we can't expect the people who are anti-Nazi to develop democratically as long as the same Nazis are getting along as well under us. I don't know what the fault is. I don't know how many Nazis there were.

MR PORTER: Actually I felt pretty much that way. I didn't think the approach or method of controlling that, imposing certain restrictions was as soundly thought out as it might have been.

DR DORN: It was tied up with denazification policy.

MR CASSODAY: As long as you had Law 8 it was a good thing. We were protecting it for the owner while the owner was out. Now, then, if you are going to have Law 8 -

MR DANIELS: It is the only way you can enforce it.

MR CASSODAY: If you are not going to remove him, I think blocking is good enough.

DR DORN: Law 8 went into <sup>Art. 58</sup> ~~Law 58~~ <sup>of the Inflation Law</sup> Just as a kind of concluding comment on that, before I left in 1947, I was worried by that question that denazification was holding up business recovery. Our special branch field inspection unit made a close investigation of 90 firms without identifying themselves as denazification representatives, saying we are economists, we want to know what is holding up your production. The answers were lack of essential raw materials, lack of coal, lack of electric power, manpower, and denazification fifth.

MR DANIELS: Of course you were talking to our appointed custodians.

MR HARTZCH: Not only that -

DR DORN: In some cases.

MR CASSODAY: And also you were talking in 1947, not 1948, when the main holdup came. Since currency reform things have moved fast. Right now, since last June, let's say September, when currency reform started to have effect and things started to move and you could notice the difference in the zone, since that started to move, then the retarding effect came out.

DR DORN: By that time all these people were back again.

MR CASSODAY: No, we had 8,000.

RG 260  
 Entry Executive Division  
 File PH-129  
 Box 11

MR HARTZCH: I think what this survey showed is perfectly logical. These people probably went to the larger plants. They were within, we might have taken under control, they did not go to the small baker or the one-man business or the 20-employee business. The 5,000 we admit should have been taken under control and the other 65,000, say less than 100 employees, I think you would find where it depends on one or two. Obviously Krupp had a lot of men who knew their responsibilities who were not Nazis.

DR DORN: The railways where we got out 70,000 in three months. *during the only months 1946*

MR HARTZCH: Less than 100 employees let him run it, and submit reports. The big ones which were confiscated are being held because they were the tough nut cases. They were the big businesses. We had 65,000 smaller businesses, one-man businesses, two-man businesses, partnerships. On these others Krupp obviously needed raw materials, and I think this thing you say is perfectly logical. I think both of them are perfectly logical. I think the lesson is in your railway. We take the big ones under control, the ~~small ones~~ <sup>cannot</sup> be managed until the man is sentenced. These little firms although they are tiny are a big factor in a small town.

MR CASSODAY: Let me add one thing in that connection. We are in a lot of business because of somebody else saying somebody has to protect I G Farben. Duress properties, of course we handle both ends there. Duress properties, external loot. If when that condition exists, the group which does not have the problem itself, but the properties are being added always by another division, if they have to justify the retention of those things under control in six months periods, I think I G Farben has sat back and not worried themselves, we would say we have got to take a cut of personnel, we have got to get rid of properties, if they have got to justify retaining control, it might help. When we had 70,000, if every six months denazification had to come up with a justification, somebody would decide why don't you get going? There is an awful lot of that we are not responsible for but we are doing it as a service.

DR DORN: I think this is awfully useful when you get people from various divisions together on this. I think your comments are very much to the point on that. There is another question I would like to ask. How do you think the Germans are operating their internal restitutions organization?

MR PORTER: Actually I think it is a bit too early to tell. At this

23

13 Jul 49

319123

RG 260  
 Entry *PROPERTY Division*  
 File *PH-129*  
 Box *11*

point we have agencies existing under the law.

DR DORN: 59.

MR PORTER: Have been in existence approximately one year and actually I am giving you now a little bit of background to explain the slowness with which they have gotten started and functioning. Some of these cases involve the manner of serving notice upon interested parties that involves a period of two or three months, resident here in Germany or resident abroad. Actually they are beginning to handle cases in many instances and also they have been concerned with personnel problems, getting facilities, and handling the volume of claims that have been coming through from our central files agency. 200,000 claims are going through the mill. The agency as of the last report have received 32,000 of these claims. The Land Central agency, ourselves, the American agency set up to distribute these claims, are snowed under with this volume of work. It is going to be a case of moving those along.

MR CASSODAY: On the first of December we had 10,000 and at the end of December 216,000. Part of the delay has been due to the claimants themselves waiting until the last day of the deadline.

DR DORN: The British have a more generous one.

MR CASSODAY: They have just got a law now.

MR PORTER: They have been following our experience and trying, in fact, they are still very much in communication with us trying to learn what our experience has been. They have got a law but haven't set up agencies or courts yet. They have received only 25,000 claims so far. When they heard what we had received, they immediately sent out notice to their agencies to gear themselves to a volume of claims. They have a deadline of December 31, 1949.

MR CASSODAY: Although they just had a law a month ago, they have had General Order 10 since about 1947. They have had it for a year and a half and they have got only a few claims. There is a reluctance to file claims until the last minute. Our agencies have disposed of some 800 cases so far. There are 4,000 in the mill now.

MR PORTER: I think it is slightly over that.

MR CASSODAY: Of the 10,000 we are almost half through with the program as of the first of December. The flood is slowing up the work on those a little,

RG 260  
 Entry Curran  
 File PH-129  
 Box 11

although number wise while you say we have had restitution law a year and a half and we have got 216,000 claims, we have only settled 800 and it sounds very low, when you consider six months ago we had 20,000, we have disposed of 800 and have 4,000 in the mill, I think the Germans are doing a very conscientious job on it. I got a stack of opinions. So far I haven't heard of any abuses in the courts sabotaging the program. If you disagree with the restitutions agency, there is a separate chamber of the ordinary courts.

DR DORN: Is it under special scrutiny or is it just part of the ordinary German judicial system?

MR HARTZCH: It is part of the German judicial system.

DR DORN: I am frightened with the bogey of renazification.

MR HARTZCH: That argument has been advanced a lot and at this point you couldn't say.

DR DORN: In my opinion the general opinion given by people who are sober careful judges is that these judges, even though former FGs are now, while public opinion is charged, lean over backwards and avoid Nazi concepts or Nazi favorable decisions.

MR DANIELS: I think they do their duty and enforce their laws as well as under the circumstances anyone can be expected.

MR CASSODAY: Here is one thing I am surprised at, talking to German lawyers Schwenk and that gang, they say it is surprising about the ethics of the American lawyer. They are very ethical and proud of their ethics and having a judge even suspected in the States of being, currying favor by giving decisions one way or the other, that is unheard of, they just don't think of doing it. By and large I understand the bar is very good even though in Nazi time they carried out things that were legal but they were more or less working under threat, they took the smooth way out. They were not the kind who disregard their ethics, as that was the law and they knew they would get reversed higher up. We have heard that. We have this board of review on top of it. If it gets to being abused, the board of review -

DR DORN: Have there been very many appeals?

MR PORTER: Amicable settlements. Cumulative report as of the end of June we had 985 petitions; granted in appeal; 103; dismissed; 508; withdrawn cases; 572. There is a total of final decisions 2,198.

RG 261  
 Entry Chapman's  
 File PH-129  
 Box 11

MR CASSODAY: Out of the original 10,000.

MR HARTZCH: How many appealed to the top court?

MR PORTER: Appeals we have 8 pending.

MR CASSODAY: In the board of review restitutions chamber we have 1,078.

MR PORTER: In the Oberlandesgericht 42. Eight in board of review, 2 in transit.

MR DANIELS: I mean the fact that so many are settled, withdrawn, dismissed without appeal is very encouraging. It shows the persons must be pretty well satisfied that their case is so weak that they got a fair trial.

DR DORN: It is in just such cases that you will get an answer to this question that is troubling McCloy right now.

MR CASSODAY: We have not yet received any reports which can be backed up indicating that any place in our restitutions or property control that criticism is breaking forth. We have got this one report we cannot substantiate.

MR PORTER: There is nothing we can pin down, nothing actually manifested itself to such an extent that it seems to indicate that the administration of the law is breaking down. We are satisfied.

MR CASSODAY: We have got gripes. Kennedy. The administration can handle his case.

MR PORTER: That's been settled now with a little commendation to us.

MR CASSODAY: We don't want to lead you to believe that nobody has criticized. We haven't found anything in the administration that would indicate any sabotage or anything like that.

DR DORN: Is there anything -

MR CASSODAY: I have one other little thing here. We found after we started checking down these guys down to find out what property they have, I have a large mortgage on this German place -

DR DORN: A United Nations national?

MR CASSODAY: So I think we have got a lot of things under control just with the idea of doing the utmost to protect UN interests. I think the next time, with Russia or Nicaragua, the government might say explicitly to all citizens exactly what rights would be protected and what wouldn't, in line with a minimum amount, not automobiles, hunting them up. Protecting a mortgage

RG	<u>260</u>
Entry	<u>PROPERTY DIVISION</u>
File	<u>PH-129</u>
Box	<u>11</u>

is all right if the person is going to sell out and ruin the security behind the mortgage. Most of them is real estate and all he can do is sell the property. I think that now we found out certain things that if it had come up we would probably have said after the first year or so -

MR HARTZCH: We did correct that in our second Title 17. We put in there a provision that no mortgaged property would be taken under control due to the simple fact that there was a mortgage on the property unless the mortgage was more than 65 per cent of the value of the property as it stands today. In other words, if due to partial destruction the man had a terrific mortgage on it and there was an equity which would be wiped out and the mortgages would stand a loss, we would take that property under control. Where the building was good, the mortgage well protected, we did not take it under control. That was put in in February, 1947. We wrote it in November. It took four months to get it through the Control Office. At that time Colonel Robinson was there, and he just didn't like a detailed Title 17. It was four months to get it through. We had it round and round.

MR CASSODAY: There is another thing you might mention when we turn things over to the Germans you can't tell them what to do. We finally snuck the thing through, and I think we are glad we did it. We gave them detailed instructions and said these will be supplanted when the German government comes through with an approved method of operation if they didn't agree or take ours if they were good enough.

MR HARTZCH: They worked for about four months on a revision of Title 17 and finally threw up their hands and said we are satisfied with the way it is going. They had the privilege of changing.

MR CASSODAY: So in connection with this turnover to the Germans I don't think it is so bad to allow detailed instructions with freedom to change them. These were just rules of reason in most cases. In other words, they were not imposing anything on the Germans, a guidebook for uniform practices. He is getting approximately the same treatment in any Land. One that we got through that turned out all right. If we had been forced to cross out all the details, we would have lost the uniformity, the continuity. We knew approximately how it was being handled without examining each case. One think that I think has

13 Jul 49

RG	260
Entry	PROPERTY DIVISION
File	PH-129
Box	11

been a great help is that we have had people in our Laender offices we could rely on.

DR DORN: Lord in Munich.

MR CASSODAY: We get a complaint in, a letter from Congress. My constituent has been kicked around by your man down there, denied his rights. Please investigate and report to General Clay. It was nice to know damn well he had a good reason for doing it. I would say 90 per cent of the complaints we have got that our guys have turned out on the right side. As a result we have been able to let them go on their own because they were not afraid to make a decision. I think that holds true for the LCH's, the German counterpart. They have been more or less on their own and they don't go in and question each case. I think it is important to get personnel and let them make their decisions because you can't run the whole damn thing. That is one thing that contributed very largely to our success. Speaking about turning over to the Germans being successful, I think the best example came about a week or so ago when we were trying to get the records at Bremen cut down and turned over to the Germans. We were told the Germans' offices had the records for the last two years. They have done a successful job. The Germans had actually been running it up there for two years. The German does the work. I think it has been damn successful in turning it over to the Germans. In all the dealings I have had with that man up there he can't be possibly accused of sabotaging anything.

MR PORTER: There is always a difference of opinion and so forth, but he is satisfied.

DR DORN: Have you any further comments on this property thing?

MR CASSODAY: You haven't said anything.

MR MILLER: I haven't anything.

DR DORN: How about this Safe Haven program?

MR MILLER: Safe Haven department is one I think represented by Mr Cassoday among other gold hunters who came over here, I guess they were camping in Versailles on the 8th of May. Now, the foundations of the Safe Haven program were laid in Washington, and Cass was working with them, and our people who came over had been working with the Treasury in Washington during the early war years and had developed a pretty well thought out plan as to the search for

RG 260  
 Entry PROPERTY Division  
 File PH-129  
 Box 11

German external assets and assets in other countries and their own. The Treasury had gone to some pains I guess with the Foreign Funds Control Group to lay out plans for the location of Germany's assets abroad and the treatment of them once they should be discovered. And it is true that all of our plans, I mean ours not because I was associated with the operation but as a country, our plans were then for the discovering and investigating of external assets and interests and wiping out the economic power of Germany in all parts of the world. It was I think a much too idealistic plan; nevertheless, the plans were laid and I think that the first operation or the first direction in Germany was in the form of the Potsdam Agreement in which the reparations aims of the victors were made known and as you know we divided the field in two parts, the Soviets taking for the satisfaction of their claims the reparations to be found in their zone of Germany and other appropriate external assets.

MR CASSODAY: May I add one thing there that helps make things a little clearer. When we started in foreign funds in Washington, State Department, EW, Economic Warfare, State Department, with commercial attaches in each South American country and neutral countries, and Treasury Department, there was no interest in reparations. Their whole economic warfare program was to wipe out both during the war and for the future their ability to wage war, the economic control that the Germans had. The reason I want to put this is that at Potsdam it first took on this reparations aspect. A list was made out of firms which cooperated with the Germans during the war. Put them out of business. Force them to the wall. It was successful to the extent that Brazil and some of the others who were trying to cooperate with us came to us and asked us to relax the restrictions because it was hurting major interests in the country. It wasn't a question of getting money. It was to put them out of business.

DR DORN: As an instrument of economic warfare.

MR CASSODAY: With the idea in the future of keeping that wiped out so that I G Farben or its successor couldn't take the place in South American that I G Farben had or Siemens. It fits in successfully with the cartel thing and was part of that same division in 1945. I wanted to say that those activities after 1945 and after the Paris Agreement of 1945 took on double purpose, one of collecting money for paying war debt and the other was the continued interest

RG	260
Entry	Cassoday
File	PH-129
Box	11

of the US and Britain up to the time that they finally decided that they had to reestablish their foreign trade regardless of who they were dealing with, their economy was suffering too much, they had up to that time with us the idea of continued economic warfare against the possibility of rebuilding for the purpose of waging war.

DR DORN: What Rose calls to seek security and reparations.

MR CASSODAY: To see the different approach in going through. To see the dual purpose.

MR MILLER: So according to Potsdam the Soviets were going to get their reparations from their zone of Germany and from their zone of Austria, eastern zone of Austria, and also from assets to be found in Finland, Poland, Hungary, and Rumania, and they renounced all interest in assets located elsewhere. And conversely the western allies were to take their reparations from the western zones of Germany and from those countries which had not been renounced by the Soviets, in other words the rest of the world theoretically. Shortly after the Potsdam agreement in October, 1945, the Control Council met and enacted Law Number 5, which very ambitiously purported to vest in a creature of the Control Council the German External Property Commission, all right, title, and interest to German assets located outside of Germany and also to those properties which were owned by companies outside of Germany which were owned under German law or had their principal branches in this country. The law purported to be extraterritorial and as you know has failed miserably short of the effectiveness that was intended for it; however, it did not purport to invest properties in the big four countries, USSR, France, or the UK and the US, on the theory as it has been subsequently stated that a vesting of those assets had already been effectively done by the four countries during the war so that that was not needed. The German External Property Commission member was Mr Cassoday, who is still the American member.

MR CASSODAY: A big problem here is how do you appoint a successor in a defunct organization.

MR MILLER: That got off to a fairly good start, but it pretty soon became apparent that contrary to the language used by the Control Council in creating it, it was never going to actually take title to the properties which were said to have been vested in that commission, so within the period of a

RG 260  
 Entry PROPERTY DIVISION  
 File PH-129  
 Box 11

couple of years it became a body that debated certain issues as to the location and treatment to be accorded German assets, but it never actually took title to those assets or disposed of any.

MR CASSODAY: The closest we ever got to property was to send some powers of attorney to Turkey and Spain. We got the German record owner to issue the power of attorney and send an okay. In one case I think a Frenchman or a Russian said the power of attorney had to go through GBC because to do otherwise would recognize some title left in the German, so we compromised and sent both and said use the one that will get the most results. That was in Turkey in 1946. That is the closest we came to property. When you say debate, I think that is too strong a word. It is obvious that every delegate, the Russian, British, French, and American, were under instructions not to take any position vis a vis external assets. Nobody could even set up an argument, so when you say they fell short it is really true. GBC was only a formality as far as barring the Germans from anything with respect to foreign assets. You might as well abandon GBC.

MR MILLER: Actually it is what was done with reference to the assets which were vested by the Control Council. The next thing that happened I think chronologically was the sitting of the 18 members of the Interallied Reparations Agency at Paris at the end of 1945 and their agreement as to their 18 countries entitled to reparations from Germany, they would cooperate to locate German assets and liquidate them.

RG 260  
 Entry Cassoday's  
 File PH-129  
 Box 11

MR. MILLER: That they proceeded to do assuming they hadn't already done so and they also agreed to a percentage division of the proceeds so that theoretically the proceeds of German external assets found within those countries and liquidated would be thrown into a common liquidation pool and each country would be accountable for its proportion charged to its reparation account against Germany. Our percentage as you know was 28% and I guess the British was also 28% and the French 16% and the rest dwindled off to nothing. However, we can say a little bit more about that later. Then in addition to that there were also pursuant to the act of Paris some accords with the neutral countries, notably Switzerland, Sweden, Spain, and Italy, after the -- well, actually before the Italian peace treaty, and an attempt with Portugal which to date I don't think has fully materialized. In any case those accords were signed by Britain, United States and France representing the other nations and they were simple agreements with those countries who didn't recognize the Control Council Law 5, but say, "We will do business with you people on a practical basis. I don't think that the terms of those accords are necessarily relevant to what we have done in Germany and so I don't suppose it is necessary to dwell on them. I want to tell you a little bit about the organization that we found here or which was developed here formed for the purpose of locating those assets or of establishing proof to the existence of assets which would exist abroad and which were believed to have been German owned. The Treasury had sent its people over here and when I got here in November '45 I was introduced into this -- --

DR. DORN: <sup>Col.</sup> General Bernstein?

MR. MILLER: Just after he had left.

MR. CASSODAY: Or before he resigned.

DR. DORN: Do you know anything about the background of that debate between the -- --

MR. MILLER: It was a -- --

MR. CASSODAY: I don't know anything besides hearsay. He went home in October and he had consultations with the War Department and as a result of those consultations -- wait a minute, after the consultations and in the opinion of a lot of people around here as a result, resigned from the Army and quit as head of the G-5 Finance or then it was head of the DICEA, Division of Cartels and External Assets, and Russ Nixon was appointed acting Director of the division and he went home about two weeks after that and quit the government, and Johnny Banning was

RG	260
Entry	Cassoday
File	PH-129
Box	11

appointed Deputy Director.

DR. DORN: He quit as a result of conviction, didn't he?

MR. CASSODAY: I don't know what the basis was, but I was in Nuernberg all during that time and I came up here after everything had happened so I just got in on the rumor.

DR. DORN: I wonder whether it involves any major policy discussions.

MR. CASSODAY: I can't tell you who around here would know right now either because most of the people who were with Finance Division at that time have left.

MR. MILLER: Cass, it certainly has effected Dexter. He was very much perturbed I think at the attitude of the State Department and at least reading from Time Magazine and the newspapers which is the only written evidence I saw at the time he felt as I recall it that our efforts at the pursuit of German wealth wherever it was and decartelizing with which he was then associated were not nearly vigorous enough, and felt that at least -- at least he was reported to have said that we were falling far short of our objectives.

DR. DORN: I think <sup>Miller</sup> he testified. I've seen that little booklet of hearings before a House committee.

MR. CASSODAY: He went home and before a week was testifying before a House committee; and I think you can get his side of the case and probably Bernstein's from that thing.

DR. DORN: I have seen it.

MR. CASSODAY: I had one other thing. Bernstein has always been connected with the delivery of the plates for the money to the Russians, which is a big controversy whether that was right or wrong, and it turned out bad. That was also in the air about the time and that may have had something to do with Bernstein aside from anything to do with the property measures or the external asset measure or anything like that. I just point that out because it was in the air at the time.

MR. MILLER: Well, in any case that was the DICEA that Mr. Cassoday spoke of, which was a very short-lived division. It had been formed in September, I think, of '45, and by January it had already been dissolved. Banning was not director of it but the Finance Division was at that time set up in Berlin.

DR. DORN: I remember going up from Frankfurt.

MR. MILLER: So then the program for the external assets having been divorced already from decartelization was assigned to the Finance Division and at that

RG	260
Entry	Cassoday's
File	PH-129
Box	11

time the division had -- I think its largest branch at that time, it was always a pretty close balance between Property Control and External Assets. The branch consisted of over forty people most of whom were investigators, and one of the sections of the External Assets Branch was the United States Census Section, which had a deceptive title because the census that was conducted was a census of German assets located in foreign countries but to be reported by persons within Germany. So I think that you can break down the activities of the External Assets Branch in three major groups. One was the investigation within Germany, spot investigation actually, assigned investigations. The other was this systematic census of those assets which were reported by persons pursuant to Law 53, Military Government Law 53. And then there was an Intelligence Section which was disassociated from both the activities but the objectives were similar and it also dabbled pretty heavily in denazification.

DR. DORN: Szuliz was on that, wasn't he?

MR. MILLER: And Salthagen was prominent in that for a long time and Dirks, whom you may remember.

MR. CASSODAY: Dirks was a separate branch for awhile.

MR. MILLER: That's right, but I regard the activities of the branch as twofold. The conduct of assigned investigations and the conduct of a census, both of which were very large programs. The assigned investigations were conducted by almost exclusively by German-speaking personnel, and by chance it seems that most of those investigators were men who had been over here at the end of the war in the Army, former Germans. I suppose refugees who were thoroughly familiar with the language and who were very well acquainted with the country.

MR. CASSODAY: We had two Swiss didn't we?

MR. MILLER: Yes, but in general -- --

MR. CASSODAY: I just mention that we had one Swiss banker and so --

(Off the record.)

in which  
MR. MILLER: The way/the investigators worked, the out and out investigators, was on the basis of requests for information which generally originated with our State Department missions in various parts of the world and more particularly with missions which might be located in the eighteen IARA countries, later nineteen countries, in Western Europe principally, which had the big stake because of the former commercial connections with Germany in the assets which were located there. I think that those are the two main sources of requests for information that were

RG	260
Entry	PROPERTY DIVISION
File	PH-129
Box	11

received by our people and then later as the accords were concluded with the neutral countries inquiries likewise came in from those countries and are still coming in.

DR. DORN: It was largely a servicing operation?

MR. MILLER: That's what it was, yes. It was not a matter of going out and going on a chase on the basis of rumor or other assumption, but specific requests. An instance, I think, will illustrate it very well. In Switzerland with whom we had concluded an accord there were assets which were known or reported to be German. The Swiss within their own borders had conducted a census of such properties and had required their citizens to declare them, so then they came to the point where they wanted to establish proof that they were German assets and because it was a very common device in Germany and I guess in Europe in general to cover agreements with reference to foreign holdings in the form of verbal agreements, verbal understandings, it became extremely difficult to prove what we were alleging to be the case, and that of course was heightened by the fact that during the war years and even preceding the war years the Germans having once burned their fingers weren't going to be caught the same way again, so they had their agreements worked out. One was on paper and said that this is an agreement which gives to Mr. X in Switzerland all right to title and interest to this plant. Okay, so they keep that in the drawer in the event that Germany loses the war. However, the two gentlemen got together and said, "That's very fine, but what we really mean is that that is an interest, a German interest, and that while the legal title is in the Swiss, in consideration for services as a German I will reserve control of the property and even disposition of the property." And it became extremely difficult to prove and in some cases there would be in existence duplicate documents. It is needless to say that these things were planned in advance for the very purpose of anticipating the outcome of the war in either of two ways and were extremely difficult to prove; but that was the job that our people had to run down. We had to locate witnesses. In some cases we had to arrange \_\_\_\_\_, we had to take depositions, we had to round up all the evidence that was possible to find here and then transmit it through channels to Switzerland where it could be used.

MR. CASSODAY: I was going to say when you say it was in somebody's head, I haven't been in the investigation field over here but in Washington we had the same kind of deal and we always found, we always suspected that if we would look far enough we found that they wouldn't trust each other far enough so they had

13 Jul 49

319135

RG 260  
 Entry *Primary Source*  
 File *PH-129*  
 Box *11*

always wanted something signed by the man and they always had something to go into court with in case they had to. I don't know if they had the same experience in Germany but we found too many of them to make it a matter of gentlemen's agreements.

MR. MILLER: I think that illustrates the nature of the operation; as it was obvious it was extremely difficult in many cases because of the wholesale destruction of records, and the boys that worked in External Assets were certainly pushed to the ends of their resources in many cases to get evidence that would hold up.

DR. DORN: They couldn't ever get any evidence from the Reichsbahn because the Russians had it?

MR. MILLER: Yes, the records of the Devisenstelle, many German records were searched quite systematically. That I failed to mention was one of the operations of the branch. There was a section called the Ministerial Records Section which made it a matter of its business to determine what records might be useful and to exploit them to examine them and they did actually take into custody many of those records over long periods of time.

DR. DORN: We made a pretty good sweep of the Devisenstelle?

MR. MILLER: Not too good. We never did get our hands on all of them.

DR. DORN: I raise the question because I saw one <sup>Devisenstelle</sup> completely intact in the city of Strassbourg in the Autumn of '44.

MR. CASSODAY: Once in a while just to show you that the arrogance of the Germans -- in the approval of the foreign transaction given by the Devisenstelle they would say this transaction is approved by the express condition that this is a transfer of title for a period of years or a certain happening and that the transfer will be made back after the event. They weren't even secret records. So we did get a lot of proof right there from their records. It was the same thing down in the Nuernberg trial. Many of the exhibits were found in the secret document room where they were just admissions of everything they had done that they were preserving to make their own history. And they confessed their own atrocities and everything else and fired back against them. It was the same proposition here. They were willing to go along as long as they weren't giving anything away.

MR. MILLER: We don't know what is the actual value of the work that was done by this group of people and that is true for two reasons, depending upon the objective toward which they were working. If it were to uncover a certain number

RG 260  
 Entry Primary Source  
 File PH-129  
 Box 11

of dollars worth of assets you can value it with some accuracy. We have placed a figure of 75 to 80 million dollars on the assets which we have proved to have been owned by this group of investigators, numbering from its forty down to its present size of four men. But that does not take into account things which it is impossible to value, patents, licensing agreements, good will, intangibles that simply cannot be accurately valued. So that when I mention 75 million dollars it is a figure which does not take into account the intangibles but which I think is a very safe figure and one which we have labored over fairly carefully to establish.

MR. CASSODAY: It doesn't take into account what was found and confiscated on the basis of the MG census.

MR. MILLER: Well, that, I think, briefly indicates what the external assets investigators as a team did. They are still working, as I say, to the tune of four men, and they are still producing very satisfactory results, and it appears as though their needs to be continued because some of it, well, at least two of the accords with neutral nations are just getting off. The one with Spain was concluded within the last year, and the one with Switzerland, although it is quite old has not yet developed to the point of real liquidation of assets; and Italy is working very actively so that we find it a very substantial percentage of the requests for information are coming right from that part of the world right now. Well, the other big part of the external assets program in Germany was the census and that was a program which was undertaken pursuant to Military Government Law No. 53, which required all persons in Germany owning or controlling directly or otherwise foreign property to declare it to Military Government on a prescribed form. Now in our Zone there were over 750,000 of those reports received. And unfortunately at the time that the law was first implemented in the fall of '45 there was no idea, I think we can say that pretty safely, of what was the purpose of the execution of this law, what we were going to use it for when we got it and in what form it could be summarized so it could be of use to all of the countries in the world where it might be disseminated. It took a remarkably long time to arrive at a conclusion on that point, but nevertheless we were continuing to receive these reports. There must have been at least 300,000 of them submitted by persons who were expellees and refugees, Sudetan Germans, persons who had to flee from Eastern Germany or its occupied countries; and in many of those cases their reports consisted of nothing more than what their household equipment or perhaps bank accounts that they had in Czechoslovakia or Sudestanland or Austria

RG 260  
 Entry PROPERTY DIVISION  
 File PH-129  
 Box 11

if they came from there, or Poland if they were chased out of Poland. So for the real purpose of stamping out German economic influence abroad those things had little effect and after we saw how many of them we were going to get we decided not to take them into account but again that took us quite a little while to realize too. Nevertheless we did get a substantial body of useful information which we tabulated in IBM form and which required three years to do. It took much too long and one of the reasons was as I say that we didn't know what we were doing when we started out. If we had known and were given the proper guidance as to the distinct objectives of the execution of Law 53 we could have minimized the number of reports. We could have summarized them in a much quicker period of time and we could have disseminated them before the whole tempo or feeling about Germany had changed. In 1945 and '46 we had distinct ideas which were reflected in Control Council Law 5 to wipe out Germany's foreign economic connections. But by the time we got through with this tabulation finally in '47 when we had the first big result and in '48 a very large supplement, we found the statements from the State Department says, "As far as we are concerned you can forget about that because we are no longer interested in it." After having spent three years on it.

DR. DORN: The idea was, the thought or rumor that Goering had invested all his money and so on.

MR. CASSODAY: Before we got this pretty blunt statement from State Department they were no longer interested we were working at cross purposes really within OMGUS because Finance Division, which was charged with the external assets at that time and cartelization which is part of Econ were working still along the line of wiping out the German external influence. Economics on the other hand was working hard to build up the foreign trade. Well, it was just natural that every German wanted to renew trade contacts, so we would get dispatches in through POLAD. One example from Brussels in which the Embassy at Brussels were still working hard to put a \_\_\_\_\_'s firm out of business and along came what was later to be JEIA to execute a big export contract with them. So I took that up with a big tall fellow from Boston -- well, anyhow he is in Trade and Commerce, and he could see the point all right.

DR. DORN: Symshak?

MR. CASSODAY: No.

DR. DORN: Wynett. John Wynett.

MR. CASSODAY: He said, "I see the point, but which one are we working at?"

13 Jul 49

319138

RG 261  
 Entry Caution Bureau  
 File PH-129  
 Box 11

So we got a cable off and never got an answer to the cable. Evidently they were being handled by two different people in the State Department and we could never until we got the statement through our own on our own problems we could never find out that State wasn't really interested in wiping out external influence anymore. So there again is one of those things that if we could get a direct statement of which is to be the primary objective, why it would be very helpful. I know one case came up under the trade mark situation. We in OMGUS could not agree between the two divisions and one branch in one division as to whether we would allow Zeiss and \_\_\_\_\_ and Bayer to use their trade marks, which were a very strong method of controlling the world market. And Eoon was all for it. Decartelization Branch of Eoon was against it, and Finance was against it. And there again we referred it to State and they came back and they said to submit it. They did go along in kicking out IG Farben mark and Bayer mark, but they weren't ready to say to forget the trade mark program and so forth, and they weren't ready to say go ahead and wipe them all out. And dealing in the drug trade alone there were 66,000 trade marks. We figured we couldn't refer each one to State. And a lot of cross purposes were due to a lack of a definite statement as to the use to be made of things or the relationship between two programs. I'll tell you about the Goering thing after he finishes up there.

MR. MILLER: I think the reason was because we had never won a war like this one before. We didn't face the situation in 1918 that we faced in 1945. Here we had one of the most powerful countries in the world and we were trying to make a book inventory of its foreign assets. The British and French having been a couple of laps behind us on this program looked and saw what we were doing and in addition to that we had all the IBM machines, so they decided they would use a similar system of tabulation under 53 and in fact they did do that and what we resulted with was an identical tabulation from each of the other two zones. Well we were on the lead in that all the way through and they took the benefits of our experiences and mistakes. They were completed late last year. And that was also done to include Berlin. So what we have then is a compilation of the assets reported by Germans in three zones and these have been mutually exchanged and in addition to that they have been sent to each of the countries where the assets are located and although I have talked down the value of them and exaggerated the mistakes and deficiencies I think they have been of tremendous value and they have been indicated by various countries to that effect. For instance the Alien Property Custodian in Justice in

RG	260
Entry	Primary Source
File	PH-129
Box	11

Washington and a similar office for the Canadian government told us that information that we had produced through this operation was in more than 50% of the cases new to them and enabled them to locate properties of which they had no previous information. There is one thing that I have to point out at this point only because I had forgotten to do it before, that is that the Alien Property Custodian had a group over here which is now quite large, consisting of about 40 people, I think, doing independent investigations. All of our investigations dealt with other countries, but we didn't conduct any investigation with reference to German assets in the United States.

MR. CASSODAY: They got here in '46.

MR. MILLER: So that there has been working alongside of us an independent separate group whose principal work has been to locate assets lying in the United States. Well, anyway we completed this census as of last year and copies of the results have been shipped to Washington to the Treasury Department as well as the original copy of each declaration that was filed by the persons in Germany. There is a duplicate copy here made available to the Germans, that is to the Bank Deutscher Laender under our wing, but there for their purposes. For the reason that some day these Germans are going to have to be compensated for the assets and this is probably the best guide that has come forth to date as to what a German owned abroad. So we are keeping those as a record upon which to compare the claims of Germans in the future when they want to get paid for the house or the business they lost outside of Germany.

DR. DORN: It includes everything, bank accounts and -- --

MR. MILLER: As a matter of fact it also includes foreign liabilities of Germans and actually I don't think that should have been put in there because it amounted to a tremendous pile of statistics which have not been used, with the exception of the British.

MR. CASSODAY: They will come into one thing, not anything to do with external assets but at the signing of the peace treaty and the adjustment of foreign debt claims. They will have some idea of what the foreign commercial debt is.

MR. MILLER: Well, we've tabulated this all and again we have the same difficulty there that it is impossible to place an intelligent value upon the product of our work for various reasons. You have for instances, currencies you can't value at all. You have the Greek drachma and the Hungarian pengo. Yet a man might have bought a house in 1926 and paid 2,000 drachms. He says, that's the

RG	260
Entry	Cheney's
File	PH-129
Box	11

value. It may be an astronomical figure today.

MR. CASSIDAY: He might have reported an astronomical figure, reporting it as of a 30¢ Mark as to the million or so of the drachms.

MR. MILLER: You have absolutely non-valuing. You have assets which you can not value which have a great value, but which can't be named, patents and all of the others that I have mentioned. And as to those we have assigned no values although we have included them in our statistics. Copyrights, licensing agreements -- what is it worth, nobody knows. But it is in the books so that it can be found. But regardless of that as to the United States Sector and the US Zone we arrived at a very highly-qualified figure as to the assets represented by the census that we conducted and converting them into American dollars we arrived at about four billion dollars excluding the assets in the countries with runaway currency like Greece and Hungary. Now, that is for the United States area of control and we don't know the British haven't made a combined total, so it's only a matter of speculation what was uncovered there. I don't think that these figures have any significance because the real value is in pointing to the country where the assets are to be found, pointing to them and indicating that they are there so that that country can see that they are liquidated, can examine them if they are dangerous to the welfare of that country and to liquidate them. We have never placed a high monetary value on \_\_\_\_\_. It would be ridiculous to do so as assets might be reported under Law 53 by as many as five different people and might be in here that many times. Others very simply might not be declared or at improper values for devious reasons. A man might feel that if he marks the value down it would escape attention in the foreign country. A refugee coming from the East would like to build<sup>it</sup> up as high as he can. Our purpose in this program has never been to say, "Well, we uncovered so many dollars of assets." It has been the security objective. On the other hand to point to these countries and say, "Look you have something here, look it over and see what you want to do with it." So I think that from that point of view it has been worthwhile, and it's certainly given the Treasury Department and the State Department at home a body of information that I don't know just what purposes it will serve but it is very complete and if they wanted a census they surely have one. Now I think as I said before that our approach to this thing was, I think, too idealistic because at the end of the war we were going, we were speaking in lofty language of wiping out the German

RG	260
Entry	PROPERTY DIVISION
File	PH-129
Box	11

economic ties and I think that, if I can view this thing impartially, I think our objective has been quite unselfish because we get no return from countries, to any of the <sup>IARA</sup> countries to which we gave statistics prepared at the expense of the American government, but we'll never get anything for that. And as a matter of fact we didn't even get their cooperation. They wouldn't advise whether they had liquidated the assets and at what figure so that we could talk business with the Germans. We get I would say very little cooperation and I think that can be particularly emphasized on the IARA countries who gave us nothing in return and in fact took all the information that we produced and in some cases denied there were any assets there.

MR. CASSODAY: I think we ought to distinguish that. We are talking about IARA countries. IARA and IARA countries are two different things.

DR. DORN: By IARA you mean the Brussels organization?

MR. CASSODAY: Yes. They have been cooperative. The countries they represent have not been cooperative.

MR. MILLER: A country of course has an interest in wanting to keep its cards close to its chest. If we show them assets of a million dollars and if they can find them and not charge them to their reparations they are much better off. That is my private opinion but I don't think without basis.

MR. CASSODAY: I think that will come out some day if and when we get a compensation law here because when they file a claim in Germany for a loss in Holland we can get a figure and they will have to prove that they lost that asset but they get no compensation from Holland. We will then get a figure from Holland. If that figure alone is higher than Holland reports then is the time -- it could be time for IARA to go back and say, "Look here, we have paid out more money in Germany compensating these people than you have reported. Where is the discrepancy?"

MR. MILLER: I think my conclusions on this program are that we were inexperienced. That we had never confronted such a situation before and we didn't know exactly what we wanted to do, that we bit off much more than we could properly chew and that we would have been much wiser had we as in the case of property control fixed our sights much higher, picked out things that could be clearly demonstrated to be of greater value, and then give them expert attention. Whereas over here, and I think I can include that within my observation, we took what we had in hand in the way of personality at the end of the war. We were trying to

RG 260  
 Entry PROPERTY DIVISION  
 File PH-129  
 Box 11

deal with some of the most intricate industrial complexes that the commercial world has seen and we didn't send experts over here to my knowledge with very few exceptions.

MR. CASSODAY: They came over in '45.

MR. MILLER: And went home, too, in six months. And we took the people who were closest at hand; and I say that knowing what I am saying because when I came over here in '45 I came over when I was in the Army and I got out of the Army at the end of '45 and it was just a case as you probably know of going down a hall and sticking your head in the office and getting a job. They didn't ask me if I knew anything about it. I got a job and by one means and another I hung onto it. I don't think that is a very intelligent way for a country to run a program of this size. I think that's a pretty serious mistake that was made that in view of all planning that was done in foreign funds in '40, '41, '42, '43, that we should have taken people with years of training in precisely this kind of work and had them come over here. I think that Justice has done that much more consistently than we have.

DR. DORN: It was Justice that sent Jimmy Martin, wasn't it, and Treasury that sent Bernstein over here?

MR. CASSODAY: He was in the Army. He was a Division of the Treasury man. It gets back to the same thing. There they trained a group and set them over and didn't keep them here. They had two things. They recruited hard in Treasury among the people that had the experience and probably about, oh, altogether one time or another about fifty people came over, outside of people like Jack Bennett. The original bunch that came over in '45 that stayed around more than about six months.

(Off the record.)

MR. CASSODAY: When they came over they only came over on a six-month basis and there wasn't any regular training program that they were to train some new people in the theater to do it, and as Frank said, they picked up to replace these people what they could. And I would say that we had a very high percentage -- --

DR. DORN: I think you seem to have done rather well in this outfit.

MR. MILLER: I think under the circumstances the results were very good.

MR. CASSODAY: I would say that about over half of them were damned good men, the kind that after a little training that you couldn't have got much better from people that were trained before.

RG	260
Entry	Cassoday's
File	PH-129
Box	11

MR. MILLER: Oh, I can name the gold-brickers.

MR. CASSODAY: I can name a dozen, too, but what I mean is that we did get pretty well in personnel and we we have had in the last year or so have been pretty good.

MR. MILLER: As the group grew smaller the best men were retained. I think the surprising thing is the good work that has come out considering the way in which the recruitments were made.

MR. CASSODAY: I think one of the biggest mistakes is the Law 5 as it was passed was fine except there weren't any exemptions, so in this report we got household furniture, stored clothes, and there wasn't a minimum of 1,000 or 5,000 or 10,000 dollars. The TFR program in the United States was everything over \$10,000. The whole damn bulk would have gotten rid of, 85% of the reports.

MR. MILLER: We had experience to work on from home, but we simply threw it overboard. Here you were up against a problem that if you leave a loophole for the German he will say he didn't think it was worth anything. But I think we could have counteracted that. If we had a penal system in the early years and fined a few examples and really go after them. There is no question that we fell down because we were in charge of determining everywhere we could through the census reports, violations of law 53, and I think the number of actual court punishments was miserably deficient and the Germans found that out and they get away with murder. If we had set our requirements pretty high, 5,000 or 10,000 Marks and given them the opportunity to cheat if they wanted to, but to really let them have it upon violation, I think that we would have been on the whole much more successful and would have had our job completed in one year.

MR. CASSODAY: Less than that because you would have been dealing with only 75,000, because you don't get as many duplicate reports, the small bank accounts, and so forth. As you say, the foreign obligations, that accounted for a large amount. If you get it down to something you were dealing with something commercial in that nature then you could go into court and say this guy has a lot of money and he has failed to report it and you get some sympathy, whereas here you ask, "Have you got a trunk down in Switzerland filled with clothes?" and you walk in with a guy who hasn't reported and you try to prosecute against him, they say, "You have asked for too much." In other words in Treasury in the United States we had a \$500 a month living allowance for ordinary living expenses. Everybody could come in and say, "\$500 a month, look what they can do with it." We got rid of all the

RG	260
Entry	PROPERTY LOSS
File	PH-129
Box	11

big problem by general license and had time to concentrate on the others. The same thing here. Right now there is still pressure to get out from under these reparations program, external assets program, the small things, the little house or cottage on the lake in Switzerland. We don't want it. It's not external influence. We want the corporations.

MR. DANIELS: You have the German woman who worked for a household as maid in Switzerland and saved up those few little francs and then risked her life hiding it from the Nazis and then we come along and grab it. That should have been left out, too.

DR. DORN: The Swiss haven't been very cooperative with us?

MR. CASSODAY: We are hoping to make them more cooperative in the next month or two.

MR. MILLER: I think a mistake that could be corrected should the occasion arise again would be to require of any country to whom we furnish these statistics either in the way of a general census report or in the way of inquiries which we make for them, require from them as a condition that they be accountable for the disposition of information received so that if we give them information on 50,000 properties we should be entitled to ask at a reasonable time thereafter what they found, was there anything there or wasn't there. And I think if we hold the material back until we get such an agreement we would be in a much better position than we now find ourselves.

MR. CASSODAY: Especially confiscation.

DR. DORN: That problem is going to come up sooner or later.

MR. MILLER: That is all I can think of generally.

MR. CASSODAY: One thing I was wondering what your recommendation would be if we have a bi- or tri- or quadripartite occupation again would you suggest that the census be centralized under uniform conditions or work out under separate tripartite.

MR. MILLER: My experience has been that it worked very satisfactorily separately.

MR. CASSODAY: We kept egging the Russians, "When are you going to have yours done?", and they said 1st of December or some odd date like that, so we tried to convince them they should put it in the IBM and we would do it for no cost if they would give us their declarations. So they hummed and hawed and meanwhile we organized a trip out to Templehof to show them how an IBM worked and after going

RG 260  
 Entry Cassidy's  
 File PH-129  
 Box 11

around all of the afternoon with their nose in the machine their piece de resistance was the one -- what was his name?

MR. MILLER: Hendricks.

MR. CASSODAY: Hendricks said through the interpreter, he spoke German too once in awhile; finally through the interpreter he said, "Would you like to find out how this stack of cards, what German assets there are in Hungary?" And ~~there~~ eyes brightened up and in two minutes out come these cards and he puts them over on the printing machine and he hands it to them and they all smiled like this and he said, "We have machines just like this in Moscow." (Laughter.) We never did get them to cooperate on it and we never figured out how they did it, but they did meet their deadline and did the whole damned thing by hand; and they asked whether we wanted it in Russian or German, so they had to translate it.

MR. MILLER: They did a good job all by hand.

DR. DORN: Well, I didn't know that they offered assistance to you through the material that had to be registered in the Reichsbahn.

MR. MILLER: They didn't.

MR. CASSODAY: This is a result of their census. This comes from individuals and banks and so on. We never got what was in the Russian Sector.

DR. DORN: Oh, you didn't. That was one place you could have gotten all the information.

MR. MILLER: That was one mistake of gigantic proportion that was related to it actually because many of these very documents that would have furnished the basis of the declaration or under our Berlin order which corresponded to ~~KME~~ <sup>it</sup>

just disappeared and we can't find out at all even though we promised Sam Rose. He went over one day and <sup>they</sup> said, "What records are you talking about? We never heard of it." The records that were previously available in Berlin which would have assisted us, of incalculable value to us. It was just typical of other instances of cooperation. They just weren't available to us.

MR. CASSODAY: If you're through I'll just add that one thing. He pointed out that we didn't go on any wild goose chases, but I think during the fall of '45 there were some investigations made that weren't necessarily wild goose chases but absolutely unproductive and we knew they were going to be unproductive. Some of them were these combination decartelization and external assets investigations where they put a whole team into Krupp or Farben and investigated everything. And

RG	260
Entry	PROPERTY DIVISION
File	PH-129
Box	11

when you get a bunch of amateurs and a few experts in name -- quote, unquote -- trying to find out what a bunch of smart Germans that for years didn't want you to know, even though you had the right to go in there and all the records were there you weren't going to find an awful lot. They went in to see if they could find out anything and to that extent it was a wild goose chase. But one thing about this story of Goering and the rest. During the war, especially from about 1943 on, we continued to get reports through the Safe Haven program of all the transfers of capital to neutral countries and to foreign countries. But the neutrals were the only place they could really operate then because it was too dangerous to get into an enemy country and also a sale of assets that were immovable especially patents and patent rights. They suddenly started selling their patent rights, making exclusive contracts, converting into something that was easily concealed. And so the British or French government in exile and the Americans -- I mean the French representative, they weren't a government in exile -- and some of the others got together and they advised each of the neutrals that they would be putting them on notice that they would take all steps necessary to destroy the effect of any transfer made by Germans in order to conceal their external assets. We didn't know how far it would go but some of the reports we got the governments did start to worry because most of these cloakings were done in connection with this Swedish firm or a local firm and if we just actually blocked all their assets in the United States or England because of the German interest it would take a long time to straighten out and hurt the economy. So it did have an effect of retarding it. But it also tied in with the whole question. The Swedes and the Swiss, which were two of the countries involved, didn't know exactly what conditions the funds in the United States would be unblocked, so we kept getting these reports of some of these things and then Izzy Stone started riding it. He had personally talked to the person who had seen Goering's famous painting on exhibit down in Argentina and it was there for safekeeping and so forth. So when we came over here to Germany in '45, here is the point. There were so many of them that we couldn't possibly have answered any Congressional inquiry or anybody else's question by saying we didn't bother to investigate them, but we knew that some of the boys were smart enough that they weren't going to write a letter and send a photostat to the bank and say transfer so many francs to my account. They weren't

RG	261
Entry	PROPERTY DIVISION
File	PH-129
Box	11

going to make it that easy. We started out with Goering. We had more information and hit the Von Ribbentrop case and the German Foreign Ministry case, which was supposed to be a big method of them getting it out for official persons and for future use, and we touched on Hitler. We hit those first two cases pretty thoroughly and went down on every lead and we found exactly what we expected to find which was nothing. But we satisfied ourselves that when you got in to find the records and find the witnesses on these rumors that when you filled in the rumor everything in the rumor was true but there wasn't enough there, so you drew the wrong conclusion. And two or three of the things that I worked on they were things that Goering was interested in and they were selling everything else and when you got to the end of it, when you found out that it was a good legitimate business transaction they had to have Goering in to help swing it with the foreign country, but we never found out side of two possibilities anything that looked like it was tangible. And those two were around the end of our rope in Germany. All these art deals so far as we could find out, why, Goering was selling art in Switzerland that was true, but then he was using the Swiss francs to buy art and bring it back and put it in his collection. And we found records that balanced it out and they had the pictures that he got and the things that he was selling were more or less junk and he was trying to buy good stuff for the junk. We didn't ever expect to find anything because it would mean for the guy anything lower than Goering or Hitler or somebody that they were robbing the Nazis' government of foreign exchange and they would therefore have to conceal it from them. It would be bad publicity for them. So they would have to conceal it pretty well. So we got down to the point where it was just trying to find the matter in writing that was confided to somebody to allow him to establish an account or whatever was going to be necessary and he had no interest in revealing it with Goering being tried, with the death sentence over his head he could probably go south with the money himself. So it was a wild goose chase. But with much substantial truth to the rumors.

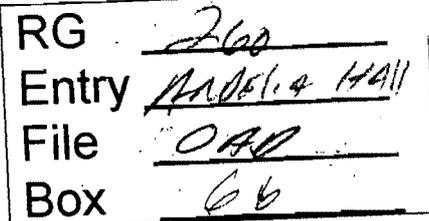
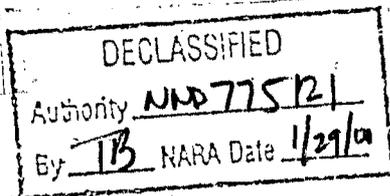
DR. DORN: Is there anything else?

MR. CASSIDAY: Is there anything you can think of?

MR. BURGESS: You have covered everything.

DR. DORN: I wanted to be sure to bring up everything that may help us to get a perspective.

MR. HARTZCH: Can't think of anything else.



Books

OFFENBACH ARCHIVAL DEPOT  
OFFICE OF MILITARY GOVERNMENT  
LAND GREATER HESSE

OFFENBACH Det F-13  
2nd MG BN (Sep)  
APO 633

**CONFIDENTIAL**

3 March, 1947

CONFIDENTIAL

Subject: Loan of books to the American Joint Distribution Committee.  
To: Office of Military Government (US)  
Economics Division, Restitution Branch  
APO 742  
Attn. MFA-A Section  
Through: Office of Military Government for Gr. Hesse  
Economics Division, Restitution Branch  
APO 633  
Attn. MFA-A Section.

1. Miss Lucy Schildkret of the Education Dept. of A.J.D.C. has for the last few weeks been engaged in examining the Hebrew and Jewish unidentifiable books at the Offenbach Archival Depot, with a view to determining the number of items remaining here which are suitable for distribution to Displaced Persons' Camps. As a result of her intelligent and conscientious work, the following conclusions were reached:

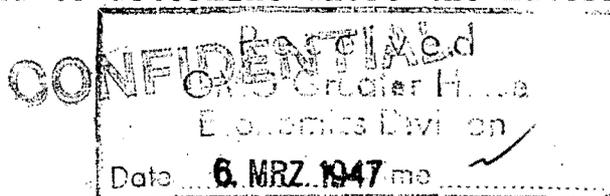
a) There are not enough books of the character described in the letter covering the original loan to justify a request for a new loan. If a new authorisation to remove books is to be given, new categories of materials will have to be made available for loan.

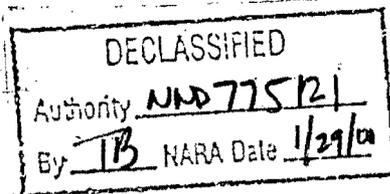
b) Rather than establish new categories of books which may be loaned, she recommended that a further loan be denied.

2. The materials which Miss Schildkret has already selected were examined, without her knowledge by Dr Ernst Grummach, who was at that time engaged in examining certain unidentified books at the Depot. He reported that her work had been in accordance with the regulations and restrictions detailed in the letter of 7 January 1946, Simon H Rifkind to General Clay, upon which the authorisation for the original loan was based. The total of the materials which she has selected amounts to about 5,000 items.

3. Miss Schildkret is now engaged in listing and cataloguing the selected materials. Upon completion of this task she will ask that these materials which she has selected be released to A.J.D.C. to complete the original loan. 20,547 items have already been loaned to the organisation out of the authorised 25,000.

4. Investigation of the A.J.D.C. files has convinced Miss Schildkret that there were some irregularities in the distribution of the books already in their hands. She feels that it will be impossible to account for more than 10,000 of these books now. She is continuing her search of her organization's files to attempt to locate as many of these missing books as possible, and to determine where the materials are.





RG	<u>260</u>
Entry	<u>MADEL. 9 14411</u>
File	<u>OAD</u>
Box	<u>66</u>

OFFENBACH ARCHIVAL DEPOT  
OFFICE OF MILITARY GOVERNMENT  
LAND GREATER HESSE

CONFIDENTIAL  
OFFENBACH Det F-13  
2nd MG BN (Sep)  
APO 633

CONFIDENTIAL

2 March 1947

5. A complete analysis of Miss Schildkret's thought processes is of course not within the province of this reporter, but the following considerations certainly have some bearing on her actions and recommendations.

a) She feels that the unidentifiable Jewish and Hebrew materials will find their ~~final~~ final home in America, probably in the library of the Yiddish Scientific Institute with which she is associated, and she is therefore not in favor of any further dispersion of the books.

b) She has been questioned twice by investigators in connection with the missing manuscripts and probably fears that A.J.D.C may suffer as a result of the investigation.

c) It is clear that she is distressed by the mess which her predecessor (Koppel Pinson) made of the whole affair, and it is believed that she sincerely desires to clear up whatever irregularities can be cleared up. She has little sympathy with the motives which impel so many of her persuasion, for example she is not a Zionist, and she does not believe in grabbing everything which is not bolted down.

6. Since it is clear that the loan of the 5,000 books which she has selected would not involve any important loss to the ~~final~~ person or agency to which the unidentifiable residue will finally be sent, it is felt here that the loan of these materials should be considered. The materials are being thoroughly catalogued, and Miss Schildkret herself will certainly see to it that no irregularities occur in their distribution. This is doubly true because of the scrutiny to which A.J.D.C is now being subjected. Should irregularities occur, the Depot has, it is believed, taken precautions which will make tracing the materials and fixing the guilt of the perpetrators comparatively easy. Also, this would be the final loan under the terms of the original arrangement, and the Depot would have the organization off its neck for good and all.

*Joseph A Horne*  
Joseph A Horne, Director,  
Offenbach Archival Depot.

CONFIDENTIAL

DECLASSIFIED
Authority <u>NND 77521</u>
By <u>TB</u> NARA Date <u>1/29/01</u>

RG <u>260</u>
Entry <u>PADEL. 4 Hall</u>
File <u>OAD</u>
Box <u>66</u>

Books

- I. 18 June 46: Cable to AGWAR, REF NO. CC-7121  
Restitution of library of Yiddish Scientific  
Inst - awaiting policy of State Dept.
- II. 12 Feb. 47: Intercept 5 boxes to Hebrew Univ. Palestine  
22 Feb. 47: Report and Request for Investigation (20 Feb RFH)  
re mislaid valuable items which were stored at  
Offenbach.  
3 Mar 47: Confidential report re packing of boxes  
4 Mar 47: Visit of Dr. Grummach- Exam of French unidentified  
books  
6 Nov 47: Inventory and receipt for 5 boxes
- III. 21 Apr 47: Cable from Amer Con Jerusalem. 5 cases from  
Offenbach rec'd per Jebrz University  
26 Apr 47: Cable from Jer - Hebrew Univ. contacted re  
custody 5 cases
- IV. 6 Mar 47: Re appointment Lucy Schildkret representative of  
AJDC to Depot - from Heinrich
- V. 29 Apr 47: Unidentifiable Jewish Books at Offenbach Depot  
Memo to Gen Clay from Howard, MFAA
- VI. 29 May 47: File on 5 Cases  
TAB A - 6 May cable re opening boxes  
TAB B - Inventory of books in boxes  
TAB C - Cable to Jerusalem, Amer Con. requesting  
obtain immediate custody 2 May 47  
- CC-8978  
TAB D - Cable from AGWAR 2 May 46 re safeguard  
Jewish material - W-86514  
Cable to AGWAR 14 Jun 46 re proposal  
CC-6925  
TAB E - Cable 14 July 46 frn AGWAR re proposed  
plan of Jewish Committee - WX-94368  
Cable 24 Jul 46 to AGWAR re comments  
on State's proposed reply - CC-9626  
TAB F - Cable 16 Oct 46 Reply from AGWAR CC-5664  
Cable 22 Sept 46 from AGWAR WX-81072  
new proposal  
TAB G - Cable 20 Nov 46 from AGWAR - WX 85682  
Directive  
Cable 23 May 47 from AGWAR - WX-98584  
Directive reads "Will be excepted")  
  
RED TAB - 1 May 47 Cable to Amer Con-Jerusalem  
CC 8907 - return of 5 cases to Offen-  
bach Archival Depot
- VII. 26 Jun 47: Cable from Jerusalem - stating inventory  
requested completed (in reply to  
cable from OMGUS 6 May 47)
- VIII. 16 Jul 47: Disposition of unidentifiable Jewish Material  
Cable WX-97440 6 May 47  
Ltr 28 Feb 47 attached to Rabbi Bernstein
- IX. 23 Jul 47: Cable to AGWAR CC-9983 - Current thought  
concerning disposition of Unidentified Jewish  
material

319151

Claimant	Creditor	Debtor	Description	Value	Depository
Franz Witt, Enigheds- vej 6 D, Charlotten- lund	Claimant	Didierwerke, Berlin	Shares	Rm. 2.400.-	Dresdner Bank, Berlin
Hans U. Wölfel, Elsinore	"	Ablösungsschuldverschreibung mit Auslosungs Rechte des deut. Reiches	Bonds	" 62.-	Not stated
"	"	Oesterreich. Caisse Commune, Austria	"	Fl. 200.-	Dresdner Bank, Berlin
"	"	Ungar. Caisse Commune, Hungary	"	" 500.-	"
Felix Zimmermann, Toldbodvej 14, Copenhagen	"	Süddeutsche Bodencredit	4½% "	Rm. 10.000.-	"
"	"	Rheinische Hypotheken Bank	4% "	" 10.000.-	"
"	"	Centralbodencredit	4% " Em. 28	" 10.000.-	"
"	"	Danziger Hypotheken Bank	4% "	" 7.000.-	"
"	"	Bosnien Landesanleihe	5% " 33pc. 1914	Not stated	"
"	"	Donau Save Adria Eisenbahn	" 8pc.	" "	"
Christian Øhrgaard, J.C. Lembrechts Alle 29, Valby	"	Hans Henrik Jørgensen, N.J. Fjordsalle 14, Copenhagen	Mortgage on Altona Nord vol. 53 page 2606, Altona Dohrnstr. 4	Rm. 7.480.-	Not stated
Østasiatisk Komp., Holbergsgade 2, Copenhagen	"	A/S Stettiner Oelwerke	Shares	" 4.820.000.-	Dresdner Bank, Berlin

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED  
Authority MD 72587  
By SP4 NARA Date 12/10

RG 260  
Entry External Assoc  
File Walter Secunns  
Box 646

319152



DECLASSIFIED

Authority NND 765028By SR NARA Date 12-1-99RG 84Entry 2056File 710 HUNGARYBox 18

OT

**ACTION COPY**

Miller

0196

**TELEGRAM RECEIVED**

16-57113-1 GPO

From: BUDAPEST Date: March 5, 1948 10 am

To: Secstate No.: 29

Code: **SECRET** Received: March 6 10 amAction:  
Mr. Yost *any*

710

Reference Department's telegram 189, February 25, regarding restitution Hungarian non-monetary gold by France.

LATOUR, French Legation Economic Attache, who instigated January Paris-Hungary French conference regarding economic clauses of peace treaty, furnished Legation with copy of protocol which included restitution to Hungary non-monetary gold. Copy protocol being forwarded Vienna and Washington.

Verbally he claims details to be as follows:

1. ~~French have custody in Paris of approximately 10-15 crates of personal jewelry plus several bars platinum.~~
2. ~~Only upon absolute proof of ownership will this jewelry and platinum be restored to individual owners. Unidentifiable non-monetary gold will be transferred to appropriate international relief organization.~~
3. ~~In any event French Government will not hasten deliveries.~~
4. LATOUR inferred that this agreement to restore this non-monetary gold was for purpose of obtaining Hungarian assistance in

**SECRET**Miss Mr P.  
- ready

319153

DECLASSIFIED

Authority NND 785010By JR NARA Date 124

RG 280  
 USAF - USA  
 REP & REST.  
 Box 100  
 HUNGARIAN RECEIPT  
 1-10

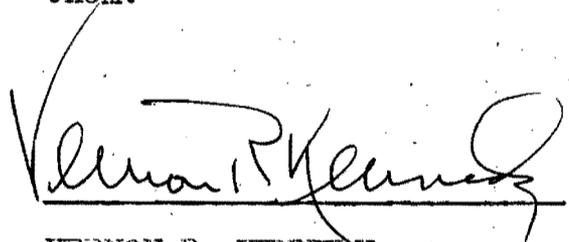
HEADQUARTERS ZONE COMMAND AUSTRIA  
 PROPERTY CONTROL AND RESTITUTION BRANCH  
 APO 541, US ARMY

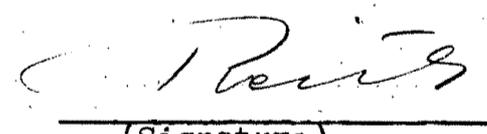
Date: 5 January 1949

Place: Salzburg, Residenzpl. 1

1. Receipt of the items described in attached Schedule "A", which are believed to be of Hungarian origin, from the Commanding General, United States Forces in Austria, is hereby acknowledged on behalf of the Austrian Federal Government by the undersigned Ministerialrat JOSEF REITH, who is duly authorized to receive said items and to execute this receipt and agreement.

2. The objects listed on Schedule "A" will be held by the Austrian Government in accordance with higher directives and their acceptance releases the Commanding General, United States Forces in Austria from all responsibilities or claims with respect to them.

  
 VERNON R. KENNEDY  
 Chief  
 Property Control and  
 Restitution Branch

  
 (Signature)

Ministerialrat JOSEF REITH  
 (Signature typed)

Leiter der Abteilung 2  
 des Bundesministeriums fuer  
 Vermoegenssicherung und  
 Wirtschaftsplanung  
 (Title or capacity of signer)

319154

DECLASSIFIED

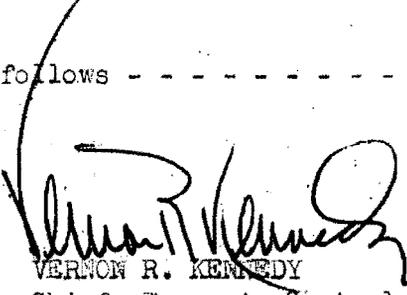
Authority NND 185010By JR NARA Date 124

## SCHEDULE "B"

The following paintings which are included in Schedule "A" are in use by Hq. Zone Command Austria, Salzburg, (Custodian Mr. Vernon R. Kennedy):

- 210 ARTIST UNKNOWN: Rivulet, flowing between house in landscape, water-color, 26 x 35 cm, with #189
- 347 KOMAROMI KACZ: Sunset with peasant-house at a lake, oil/canvas, 31 x 42 cm, broad, golden frame (rev. side Dr.Szalvendy, Odom Ugyved Salgotarian Nr.7)
- 690 ZUBER R: Pesant woman, oil-wood, 29 x 23 cm, under glass, black frame
- 756 MEYER A: White angora-cat, oil/canvas, 50 x 40 cm, no frame
- 777 FZENTHALY FERENCZ: Forest landscape in winter with woman collecting wood, oil/ canvas, 47 x 56, golden frame (Friedmann Rezos, Salgotaryan)
- 966 ARTIST UNKNOWN: Picture of an old castle, oil/canvas, 58 x 40, with frame
- 1065 ARTIST UNKNOWN: Head of a man, oil/cartoon, 34 x 24, with frame
- 1085 CSILLAG: Old peasants with pitcher, colored etching, 31 x 23, with frame and glass (rev.side 1255)
- 1090 OLGYOS: Winter-landscape with big trees, colored etching, 35 x 26, with frame and glass, (rev. side 255)

----- nothing follows -----

  
 VERNON R. KENNEDY  
 Chief, Property Control and  
 Restitution Branch  
 Civil Affairs Section  
 Hq. ZCA

Salzburg, 5 January 1949

319155

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Authority: NND 185010By JR NARA Date 124

## SCHEDULE "C"

The following paintings which are included in Schedule "A" are in use by FD&R Division, USACA Section, Hq. USFA, (Custodian Lt. Col. Frederic W. Hodge):

- 448 SANTHAL 1913: Brook in winterlandscape, oil/cartoon, 31 x 29 cm, nice golden frame
- 624 ARTIST UNKNOWN: Holy Virgin with sleeping little Jesus and young saint, oil/copper, 16.5 x 21.5 cm, with broad golden frame (250 Fischhorn, Stockholm)
- 739 ARTIST UNKNOWN: Portrait of a lady, on porcelaine plate, round, diam. 16 cm, golden frame
- 740 ARTIST UNKNOWN: Society with horses and tent (*camping scene*) Dutch, ~~18th~~ <sup>School 18th century</sup>, oil/wood, 58 x 35 cm, golden frame
- 742 ARTIST UNKNOWN: Two peasant woman and peasant at the field, oil/wood, 34 x 24 cm, framed, under glass

741

----- nothing follows -----

*F. W. Hodge*  
 FREDERIC W. HODGE  
 Lt. Col. FA  
 Administrative Officer  
 FD&R Division, USACA

Vienna: 5 January 1949

319156

DECLASSIFIED

Authority: NND 185010

By JR NARA Date 124

Z 1: 79.898-2/48 abgetreten 1. 733.538-14/48

Übersetzung

HEADQUARTERS  
 UNITED STATES FORCES IN AUSTRIA  
 USACA SECTION  
 Reparations, Deliveries and Restitution Division  
 APO 777, U.S. Army.

ET/ew  
 28. Oktober 1948.

Dr. Otto Demus  
 Präsident des Bundesdenkmalamtes,  
 W i e n I.,  
 In der Burg, Amalienstrasse.

Betreff: Gemälde von angeblich ungarischem Ursprung.

Werter Herr Dr. Demus, !

Gemäss des Briefes von General Keyes an Bundeskanzler Figl vom 13. April 1948, worin die Verantwortung der Restitution der Ex-Feindstaaten an die österreichische Regierung übertragen wurde, wird die angeschlossene Liste der Gemälde von angeblich ungarischem Ursprung in die Kompetenz Ihrer bevollmächtigten Vertreter in Salzburg übertragen.

Die angeschlossene Liste enthält 1.176 Gemälde, jedoch wurden die Punkte

355, 415, 487, 977 bis einschliesslich 981  
 zwei ungarischen Flüchtlingen, die gegenwärtig in der Schweiz leben,  
 freigegeben. Es bleibt also eine Gesamtsumme von 1.164 Gemälden.

Es darf gebeten werden, dass Sie Frau Kirchner bitten, mit der Property Control and Restitution Branch of ZCA, wohnhaft im oben erwähnten Regierungsgebäude, in Verbindung zu treten.

Ihr ergebener

James A. Garrison,  
 Chief, RA & R. Division

1 Beilage:  
 Liste der Gemälde,

Telefon: Wien B 47-3-93

Abschrift gleichlautend an:

PC & R Branch ZCA

319157

DECLASSIFIED

Authority: NND 185010

By JR NARA Date 124

ABSCHRIFTz.zl. 9145 v.1948

## LIST OF UNIDENTIFIED PAINTINGS STORED AT RESIDENZ-DEPOT SALZBURG.

- |                                                                                                                                                               |                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. HORWARD A.: Hussar with peasant girl, oil on canvas, 54 x 68 cm, no frame                                                                                  | HORWARD A. Husar mit Bauernmädchen, Öl auf Bwd., 54 x 68 cm, o.Rahmen.                                                                                               |
| 2. NEISSLER A.?: Landscape with farm house near a brook, oil on canvas, 55 x 67 cm, on frame                                                                  | NEISSLER A.?: Landschaft mit Bauernknechtshaus am Bach, Öl/Lwd., 55 x 67 cm, o.Rahmen                                                                                |
| 3. -- Farm house with oxencart, oil in canvas, 53 x 67, no frame                                                                                              | -- Bauernhaus mit Ochsen <span>ge</span> spann, Öl/Lwd., 53 x 67 cm, o.Rahmen                                                                                        |
| 4. BRENEDIER?: Market scene with donkey-cart, oil on canvas, 59 x 48 cm, no frame                                                                             | BRENEDIER?: Marktszene mit Esel <span>ge</span> spann, Öl/Lwd., 59 x 48 cm, o.R.                                                                                     |
| 5. CORNAROMI CAROL: Sunset, Landscape with church and brook, oil/canvas, 66 x 54, no frame                                                                    | CORNAROMI CAROL: Sonnen <span>un</span> tergang, Landschaft m.Bach u.Kirche, Öl/Lwd., 66 x 54 cm, o.Rahmen                                                           |
| 6. Battle with Turks, roof of the house marked with date of the year 1598, oil/canvas, 62 x 45 cm, no frame                                                   | - Türken <span>sch</span> lacht, am Hausdach Jahr <span>z</span> ehl 1598, Öl/Lwd., 62 x 45 cm, o.Rahmen                                                             |
| 7. KISS GABOR: Portrait of the child "Vera", oil/canvas, 50 x 59 cm, no frame                                                                                 | KISS GABOR, 1930: Kinder <span>po</span> rt <span>ra</span> it "Vera", Öl/Lwd., 50 x 59 cm, o.Rahmen                                                                 |
| 8. GLATZ ERICH, 1939: Peasant girl with white cat, oil/canvas, 60 x 45 cm, no frame                                                                           | GLATZ ERICH, 1939: Bauern <span>m</span> ädchen m.weisser Katze, Öl/Lwd., 60 x 45 cm, o.Rahmen                                                                       |
| 9. SCATO A.: 1926: Park landscape, oil/canvas, 64 x 56, no frame                                                                                              | SCATO A. 1926: Park <span>la</span> ndschaft, Öl/Lwd., 64 x 56, o.Rahmen                                                                                             |
| 10. BARATH ? A.: Portrait of a woman, oil/canvas, 73 x 54 cm, no frame                                                                                        | BARATH ? A.: Frauen <span>po</span> rt <span>ra</span> it, Öl/Lwd., 73 x 54 cm, o.Rahmen                                                                             |
| 11. DUTCH MANNER (old painting) Rider on a white horse in front of an inn, (reverse side marked: Rest.Prof.Medvey Gyor 1933) oil/canvas, 49 x 63 cm, no frame | HOLLANDISCHE ART (altes Bild) Reiter auf Schimmel vor einem Gast <span>h</span> aus. (Rückwärts vermerkt: Rest. Prof.Medvey Gyor 1933) Öl/Lwd., 49 x 63 cm, o.Rahmen |
| 12. PANDUR JOSEF: Design for a mural painting of the Catholic church in Kisber, water color, 50 x 50, no frame                                                | PANDUR JOSEF: Entwurf eines Decken <span>g</span> emä <span>l</span> des für die röm.kath.Kirche in Kisber, Wasser <span>fa</span> rben, 50 x 50, o.Rahmen.          |

319158

Authority **NN3/319400**  
By **SR** NARA Date **10-25-99**

Entry **128 13**  
File **EEF 4010**  
Box **Jan 46 Misc. 388**

*Sy Fites*  
*STV*  
*Fites*

**PARAPHRASE**

WAR DEPARTMENT  
CLASSIFIED MESSAGE  
INCOMING  
(RESTRICTED UMR)

*Misc*  
*Gold Train*

To: War Dept  
From: Vienna HQ USFA  
Nr: P 4639

16 Mar 1946

Ref. No. P 4639 from Com. Gen., USFA.

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

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

Only small quantities indicated in cable 65 of stocks of essential commodities mentioned in Schoenfeld cable are in US Zone. No return of property to Hungary has been permitted until directive outlined WARK 99226 Mar 5 issued.

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

No lists have been submitted by Hungarian Govt under requirements W 99226. Hungarian agents have attempted for last 6 months to obtain info and release of property without meeting requirements of directives.

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

Action: CAD

OM-1N-3361

(16 Mar 46)

cc: 3-22-46 M. Schwartz, Richards, Alk, R. Shwartz, Hebbard, Masterson (3), Waybur-Dilman.

DECLASSIFIED

Authority NM832 932By WJD NARA Date 12/7/79RG 84  
Entry 2070  
File Minutes 1262  
Box 3GT  
MISCTranslated from  
the RussianRESTRICTEDMinutes 1254-1263ALLIED COMMISSION FOR AUSTRIAALCO/M(50)128ALLIED COUNCILMINUTESof the128TH MEETINGheld in the Council Chamber of the Allied Commission  
Building, Vienna, on Friday, 11th August, 1950, at 1330 hoursTHERE WERE PRESENT:

U.S.S.R.....Lieutenant General V.P. SVIRIDOV (In the Chair)  
 U.S.A.....Lieutenant General GEOFFREY KEYES  
 U.K.....Sir HAROLD CACCLA  
 FRANCE.....General d'Armee M.E. BETHOUART

OTHERS PRESENT:U.S.S.R.

Mr. M.E. Koptelov  
 Major General S.E. Maslov  
 Lt. Colonel Dovaltsov  
 Colonel Baribin  
 Lt. Colonel Golikov  
 Mr. Churilin

U.K.

Mr. N.J.A. Cheetham  
 Mr. J.E. Galsworthy  
 Mr. Gilshenan

U.S.A.

Colonel C.E. Hixon  
 Mr. W. Dowling  
 Mr. O'Connor  
 Mr. White  
 Mr. Garrison  
 Mr. Loewy  
 Mr. Ekern

FRANCE

M. L. de Monicault  
 M. L. Calvy  
 M. Haulpetit-Fourichon  
 M. Canet  
 M. Pelier  
 M. Vasseur

ALLIED SECRETARIAT

Mr. Chistiakov  
 Lieutenant Cherepanov  
 Mr. Varney  
 Lieutenant Hawkins  
 Mr. Linford  
 Mr. Hodsoll  
 M. Collignon  
 M. Abarnou

RESTRICTED

319100

RESTRICTEDALCO/M(50)128  
(contd)1261. EXTENSION OF POSTAL SERVICES BETWEEN AUSTRIA AND GERMANY

The Council had before it ALCO/P(50)68 (as corrected).

In the course of prolonged discussion, all Members came to the conclusion that sub-paragraphs (a) and (b) of all three recommendations submitted could be included in the agreed reply to the Federal Chancellor; whereas sub-paragraphs (c) and (d) of the recommendation submitted under paragraphs 4 and 6 required further study and should, therefore, be referred to the Quadripartite Signals Committee for completion.

THE COUNCIL:

(1261) decided:

- (i) to authorise the extension of postal services between Austria and Germany as follows:
  - (a) admission of a post parcel service, with registered value, up to an insurance value of 1,000 gold francs;
  - (b) admission of fragile and cumbersome parcels;
- (ii) to refer back to the Quadripartite Signals Committee for completion and submission of a report to the Allied Council, sub-paragraphs (c) - admission of express service for post parcels, and (d) - increase of weight from 500 grammes to 2 kilogrammes for letters dealing with business matters, subject to no mention being made therein of any information regarding German assets abroad.

1262. REPLY TO THE LETTER FROM THE LEGATION OF THE PEOPLES' REPUBLIC OF HUNGARY, REF. NO. 485/1950, DATED 29 JUNE 1950

The Council had before it ALCO/P(50)69.

The Soviet Member supported the resolution contained in paragraph 4. He considered that the Austrian Government had no right to refuse the Hungarian Government satisfaction of its request. The Allied Council should therefore indicate to the Austrian Government the necessity of implementing the Peace Treaty with Hungary as signed by the Allies on 10th February, 1947. Article 30 of the Peace Treaty provided that property of Hungarian citizens, forcibly removed from Hungary to Germany by the German Armed Forces or the German Authorities after 20th January, 1945, should be returned. This referred to Austria also, since until April, 1945, it had been part of the German State.

RESTRICTED

ALCO/M(50)128  
 (cont'd)

The French Member pointed out that the Hungarian Government was basing itself in this matter on Article 30 of the Peace Treaty. There was, however, in the Peace Treaty a special Article 40 outlining the procedure for settling every possible dispute. The Allied Council was not competent to settle such questions or to give an interpretation of the provisions of the Peace Treaty. He proposed the recommendation contained in paragraph 5 with the addition of the following words:

"The Allied Council considers that disputes arising out of the interpretation or implementation of the Peace Treaty shall be settled within the framework of the provisions contained in this Treaty (Article 40)."

The British Member supported the recommendation contained in paragraph 5.

The U.S. Member stated that mutual restitution between Austria and Hungary was a question which concerned these two States only. The Allied Commission for Austria had no connection with this question. He supported the recommendation contained in paragraph 5 together with the addition suggested by the French Member.

In the course of further discussion, the positions of the various Elements failed to come any closer.

In view of the disagreement,

THE COUNCIL:

(1262) took no decision on ALCO/P(50)69.

1263. DATE OF NEXT MEETING

The next ordinary meeting of the Allied Council will take place on 25th August, 1950, at 1330 hours.

The Meeting adjourned at 1800 hours.

COMMANDERS-IN-CHIEF OF THE FORCES OF OCCUPATION IN AUSTRIA

U.S.A.

LIEUTENANT GENERAL  
 GEOFFREY KEYES

U.S.S.R.

LIEUTENANT GENERAL  
 V. P. SVIRIDOV

FRANCE

GENERAL D'ARMEE  
 M. E. BETHOUART

U.K.

SIR HAROLD CACCIA

*Geoffrey Keyes*

*Свиридов*

*M. E. Bethouart*

*Harold Caccia*

DECLASSIFIED  
 Authority NND 978025  
 By TJ NARA Date 9/31/99

RG 56  
 Entry 56-69 A 4707  
 File GERMANY: Gold Recovered - Origin and Claims, by Countries  
 Box 80

SECS.

*Germany, Gold Recovered - Origin & Claims by Countries*  
*(overall)*

CONFIDENTIAL TOT  
 PRIORITY

From: OMGUS Berlin Germany sgd Clay

To: War Department for JCS

Nr: CC-7904

3 February 1947

Reurads WX-85682, WX-88566, WX-85965, W-90078, and ourads CC-7486, CC-7239, CC-7792.

1. The only financial assets released to date in bulk from custody of Foreign Exchange depository or other United States custodial agencies in Germany acting under specific authorizations have been 813 bags rubles to USSR, 33 tons monetary gold to Hungary, 40 tons silver as loan to German economy. There are still held big quantities of currencies as defined WX-85965 and W-90078, securities as defined WX-88566, monetary gold as defined final act Paris Conference on reparations, non-monetary gold as defined WX-85682, silver and other precious metals and other foreign exchange assets. Marshalling and inventory of such assets will eventually reach stage of completion where action can be taken in compliance with disposal directives. Turnover of non-monetary gold to Inter-Governmental Committee on refugees is imminent as the next bulk release of assets from custody. Since action to be taken under WX-85682 will be the first under existing or future disposal directives, important to have clear understanding WX-85682 so that non-monetary gold fund will be properly constituted and conflicts this and other directives during or after consummation of turnover will be avoided.

2. Therefore request clarification WX-85682 in particular, especially respecting its relation to other urad references, on the following:

A. What disposition is to be made of monetary gold falling under WX-85682?

B. Whether the term "currencies" in W-90078 includes, in addition to paper money, coins of silver, gold or other metals.

C. Whether W-90078 directs that currencies of United Nations never under German occupation will not be restituted to another United Nation formerly under German occupation even if a claim by the latter United Nation is established. Application of WX-85965 and W-90078 appears subject 2 interpretations.

2/14/47

cc: Glasser, Ullmann, Masterson (3), Richards (3), Willis, Curtis, Dickens Bittermann.

ea.

319163

DECLASSIFIED  
 Authority NND 978025  
 By TJ NARA Date 9/31/99

RG 56  
 Entry 56-69 A 4707  
 File GERMANY: Gold Recovered - Origin and  
Claims, by Countries  
 Box 80

- 2 -

(1) Restitution of any identified owned currencies looted from occupied united nations under WX-85965 prior to delivery of residue currencies to issuing countries under W-90078, or

(2) Delivery of currencies to issuing countries under W-90078 without receipt of claims from occupied united nations, which claims would be matter for later settlement between governments.

(D) Determination of the order of precedence of WX-85682 compared with any other disposal directive, especially at to whether WX-85682 is to be treated as a standing exception to all present and future restitution or disposal directives, as is indicated in W-90078 and WX-88566.

E. Whether United States unilateral action is to be taken under existing disposal directives, such as WX-85682, W-90078, and WX-88566, prior to agreement or despite absence of CM In 437 agreement this specific subject within control council, as pointed out ourads CC-7239 and CC-7792, and despite fact that definition of restitution (CONL/P/(46) three revise in general terms controls disposition of all property according to removal from occupied united nations.

F. Whether securities falling within WX-85682 may be exempted or suspended from delivery to inter-governmental committee on refugees due to:

1. Their insignificant value compared to bulk of loot.
2. The obstacles which would be encountered in their liquidation, and
3. The United States position taken in control council which has been contrary to the disposal principle now embodied in WX-85682.

3. It is pointed out that no directive or proposals have been received on disposition of (A) monetary gold, and (B) other precious metals including silver, platinum and gold which is neither monetary nor non-monetary under WX-85682 such as gold nuggets and large quantity gold deposited under law 53 without suggestion or presumption of loot. Also to be considered is uncertainty arising from disposition of property as defined WX-85682, since such property includes all categories subject to disposition under other existing or future directives concerning which full clarity and agreement has not yet been attained.

4. The urgency of the turnover to Inter-Governmental Committee on Refugees is understood and initial deliveries can be made upon return of Inter-Governmental Committee on refugees representatives in March 1947, of all assets falling under WX-85682 about which there are no unsettled questions. Such items consist unidentifiable jewelry and precious stones, dental gold, scrap metal, all obviously looted from concentration camp inmates. There exists considerable quantity and value of such property. However, complete non-monetary gold fund cannot be determined until some time hence.

319164

DECLASSIFIED	RG 56
NND Authority 978025	Entry 56-69 A 4757
By T J NARA Date 9/31/99	File GERMANY: Gold Recovered - Origin and Claims, by Countries
	Box 80

*Handwritten notes:* Germany Gold Recovered - Origin and Claims by Countries

5. Bennett, Director Finance Division, expects to be in Washington early part Feb. and would be available to discuss these questions.

CM IN 437

DECLASSIFIED

Authority MMO 785009By WBY NARA Date 11/22/55

RG

260

Entry

USACA - Property Control

File

P-1400

Box

21*P.E. Reading*

## PC-IRG Request for Transportation

1. Chief Director 29 Oct  
 HERR Div of Service, 1947  
 USACA Supply,  
 and Procurement

a. The PC-IRG Field Team, Salzburg, requests the rental of three (3) US Military trucks for the purpose of transporting to Frankfurt, Germany, 20 crates of scrap silver (approximate weight 6000 pounds), which has been released to them from the US Military Government Warehouse in Salzburg.

b. The shipment is tentatively planned for departure from Salzburg at 0800 hours 5 November 1947 and arrival in Frankfurt 6 November 1947.

c. Arrangements for clearance, travel orders, US Military Guard, messing and billeting facilities and other details incident to the shipment will be made by G-4, Property Control Section, Zone Command, Austria, in coordination with PC-IRG representatives.

d. Any expense involved will be borne by PC-IRG Restitution Section, Salzburg, in accordance with procedure for reimbursement by PC-IRG for supplies and services furnished from Army supply sources, dated 26 September 1947.

e. It is recommended that the request of PC-IRG be granted and that G-4, Property Control Section, Salzburg be directed by your office to make the final arrangements for the shipment, in coordination with PC-IRG.

JAMES A. GARRISON  
 Chief, HERR Division

JAMES H. DEAN/en  
 Tele:VIENNA, B-48423

319166

Austria

1087

COPY

~~RESTRICTED~~

DRAFT AIRGRAM

RESTRICTED

Re Department's A-108 of April 5, 1949.

In turning over German assets to the Austrian Government in trust, the appointment of an administrator is usually left to the discretion of the Government, and RD&R interferences only in cases where there is obvious injustice or where the appointment is demonstrably inappropriate for other reasons. The Government has been on the whole cooperative and has performed its function as trustee satisfactorily. In most cases it would be impractical, if not illegal, to appoint a non-resident of Austria as administrator. It would be practical to appoint his legal representative, and this is frequently done.

*Class cancelled  
13/1/50*

CCMcIvor/nvr

~~RESTRICTED~~

RESTRICTED

*F. J. Smith*

RG	260
Entry German Central Assets	
File Property - German Assets	166
Box	

108-

DECLASSIFIED
Authority WFO 785007
By JWC NARA Date 9-16-99

319167

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RESTRICTED

401

AMLEGATION,

VIENNA

A-108, April 5, 1949

Re Legation's A-156 of March 3, Department's A-271 of October 28, 1948.

The Department appreciates the problems presented in connection with the unsolved German external assets question in cases where German persecutees still living in Germany recover property in Austria which was taken from them by Nazi action. That such property should be taken under MG control upon cancellation of the wrongful transfer appears not unreasonable. It occurs to the Department, however, that it might be feasible for MG to appoint the rightful owners as trustees during the period of MG control and pending a final decision on the disposition of this type of property. The Legation is requested to take this matter up with the appropriate authorities with a view to the development of an interim solution along this line which does justice to the present legal requirements as well as to the interests of the rightful owners. The Department requests that it be kept informed of any developments of interest in this connection.

It is requested that the Legation transmit copies of its A-156 and of future communications to USPOLAD, Berlin and to Consulate General Munich, since the case which gave rise to the Department's original inquiry (Freundlich Brothers) was handled by Consulate Munich per the Department's instruction of October 27, 1948.

321.3

~~RESTRICTED~~

RG	360
Entry	German External Assets
File	PROPERTY - (German Assets)
Box	166

DECLASSIFIED
Authority 100785007
By JWC NARA Date 9-16-79

3191618

REPRODUCED AT THE NATIONAL ARCHIVES

MEMORANDUM

HEADQUARTERS U. S. FORCES IN AUSTRIA  
REPARATIONS, DELIVERIES AND RESTITUTION DIVISION  
GERMAN EXTERNAL ASSETS BRANCH  
APO 777, U.S. Army

TO: Head, GEA Branch

Date 18/11/48

SUBJECT: Restitution to German Persecutees

1. Paragraph 2 of Cable A-2/1 from the Acting Secretary of State to the American Legation, Vienna states in the first sentence that it appears that "persecutee owners would appear entitled to recovery of property removed to Austria ... under Austrian Restitution Legislation". To this it must be noted that only quite recently, a restitution commission sitting in Salzburg denied a plea of the Swiss "Magnesia" A.G. versus the Dresdner Bank because it was held that only such duress transfers fall under Austrian Restitution Legislation as involved assets located in Austria at the time of the transfer and/or assets which, even though located outside of Austria, were divested from persons who were Austrian residents at the time of transfer and then only if such assets were later on removed to and are now physically present in Austria. Therefore, it appears that moveable properties like automobiles, raw materials, etc. referred to in subject cable would not fall under Austrian Restitution Legislation.
2. In the case of a saw mill referred to in subject cable Austrian Restitution Legislation appears to be applicable and the view of State Department is shared here, i.e., the persecutee owners appear entitled to recovery. However, such duress transfers as may be voided pursuant to the judgment of a Restitution Court would still remain German External Assets since:
  - a. The now reinstated owners could not be considered anything but German and
  - b. the assets are located outside the boundaries of Germany.
3. The status of property of this nature, i.e., property of persecutees must, for the time being, remain the same as the property of Germans who were not persecutees due to the fact that no differentiating legislation or policy has come to the fore, as yet.
4. It appears that no differentiating policy and/or legislation would be advisable since:
  - a. The Potsdam Agreement which is the basic document guiding the treatment of German External Assets makes no provision for differentiating between the properties of "good" and "bad" Germans.

RG 260  
Entry German External Assets  
File PROPERTY - German Assets  
Box 169

DECLASSIFIED  
Authority WFO 785007  
By JWC NARA Date 9-16-79

691619

b. Persecutees are generally accepted to be persons who were discriminated against by the Nazi Government for racial, religious and political beliefs unacceptable to the Nazi ideology.

c. No end of litigation would result from the differentiation between Nazi German owners and anti-Nazi German owners, since <sup>practically</sup> all Germans who were not Nazis would claim to have been persecutees.

RWA/ad  
Tel.: B-48436

*Eric W. Ashley*  
ERIC W. ASHLEY  
Director, Team E

RG 260  
Entry German External Affairs  
File Property - Personal Persecutions  
Box 166

DECLASSIFIED  
Authority WND 785007  
By JWC NARA Date 9-16-99

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REPRODUCED AT THE NATIONAL ARCHIVES

RG	56
Entry	Accsn 69-A-4707
File	RESTITUTION
Box	84

*Food Summary*  
*ASST*  
*ITALY*

DECLASSIFIED
Authority <u>MM0978025</u>
By <u>SR</u> NARA Date <u>10-26-99</u>

DEPARTMENT OF THE ARMY  
 STAFF MESSAGE CENTER  
 OUTGOING CLASSIFIED MESSAGE

*German Restitution*

SECRET  
 PRIORITY

PARAPHRASE NOT REQUIRED. HANDLE AS SECRET CORRESPONDENCE  
 PER PARAS 511 and 60a (4) AR 380-5  
 Civil Affairs Division  
 Lt Col Jorgenson/75140/

28 August 1948

CINCEUR

INFORMATION

HQ EUCOM, COMGENUSFA

Number: WARX 88362

From CSCAD cite ECON. Reourads Nov 45 WX 85965, Mar 46 WX 99226  
 urad Jul CC 5324.

Fol for your info is an agreed US pos apd by State and  
 Army Dept, which is now in process of being prepared for is-  
 suance as directive to you:

"Subj of this directive is external restitution from  
 Germany."

1. This directive is issued to you as Commanding Gen  
 of the US Forces of Occupation and as Mil Governor in Germany.  
 It amplifies Para 17 A of JCS 1779/1 (SWNCC 327/4) and  
 supersedes WX 85965, Nov 45, as amended (SWNCC 204/2), and  
 WX 99226, Mar 46, as amended (SWNCC 204/5). Para 2 sets  
 forth the basic policies of this govt which affect external  
 restitution. Paras 3 et seq represent specific instructions  
 based upon these basic policies.

2. You will be governed by the fol basic policies of  
 your govt in completing the program of restitution from  
 Germany:.

A. (1) Policy of fulfilling internatl obliga-  
 tions and respecting property rights.

(2) Policy of giving economic and political  
 assistance to countries participating in the European  
 Recovery Program

**\*THIS DOCUMENT CONTAINS INFORMATION  
 AFFECTING THE NATIONAL DEFENSE OF THE  
 UNITED STATES WHICH IS THE MEANING OF THE  
 ESPIONAGE ACT, U.S.C. SEC. 51 AND 52, THE  
 TRANSMISSION OR THE REVELATION OF ITS CONTENTS  
 IN ANY MANNER TO AN UNAUTHORIZED  
 PERSON IS PROHIBITED BY LAW.**

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RG	56
Entry	Accsn 69-A-4707
File	RESTITUTION
Box	84

DECLASSIFIED
Authority: <u>1100978025</u>
By: <u>SZ</u> NARA Date: <u>10-28-99</u>

DEPARTMENT OF THE ARMY  
STAFF MESSAGE CENTER  
OUTGOING CLASSIFIED MESSAGE

SECRET

Nr: WARX 88362

Page 2

(3) Policy of protecting the cultural heritage of all nations.

B. (1) Policy of denying certain types of products to countries in the Soviet orbit.

(2) Policy of meeting essential reqmts of the minimum German economy.

(3) Policy of avoiding the restitution of property to the Soviet Union or a Soviet satellite which is claimed independently by a non-natl or a refugee nati of the claimant govt.

(4) Policy of bringing the entire restitution program to a conclusion as soon as is feasible.

3. Policies 2 A (1) and 2 A (2), separately or together, will prevail over policy 2 B (2) unless the property is required for the German economy with great urgency, comparable, eg, with the need to retain rolling stock.

4. With re to policy 2 B (1) you will from time to time be given guidance as to the products which this govt desires to deny to the economy of the Soviet Union and its satellites. You will suspend restitution of such products from Germany even if they appear subj to restitution by internatl agreement under policy 2 A (1). You will also suspend restitution in all cases where there is a conflict between the urgent reqmts of the German economy as indicated in 2 B (2) and internatl obligation as stated in 2 A (1) and also when there is a conflict between the policy in 2 A (1) and 2 B (3). You should report action taken under this Para together with the grounds therefor.

5. You should, where possible, avoid informing the representatives of any claimant country that a claim has been deferred or rejected on the grounds set forth in Para 2 B (1), (2), or (3) above. In such cases other legal or procedural grounds should, if possible, be stated. You should consult your govt before making any overt refusal to execute an agreement to which the US is a party.

(Aug 48)

**THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT, U.S.C. 79, 31 AND 32. THE TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.**

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U. S. GOVERNMENT PRINTING OFFICE 16-58756-1

U. S. GOVERNMENT PRINTING OFFICE 16-58756-1

319172

RG	56
Entry	Accsn 69-A-4707
File	RESTITUTION
Box	84

DECLASSIFIED
Authority <u>NND978025</u>
By <u>SR</u> NARA Date <u>10-28-99</u>

**DEPARTMENT OF THE ARMY  
STAFF MESSAGE CENTER  
OUTGOING CLASSIFIED MESSAGE**

SECRET.

Nr: WARX 88362

Page 3

6. The legal bases for restitution to the UN are the agreements of the Allied Control Auth, so long as they are considered to be in force. Property removed from A UN in the course of a transaction essentially commercial in character is not considered to be subj to restitution under such agreements.

7. The legal bases for restitution to Italy, Rumania, Hungary, and Bulgaria are the relevant provisions of the treaties of peace with those countries. In the absence of Control Council decision implementing the treaties, you will proceed with restitution to those countries as provided in this directive. You will bear in mind that property which is lawfully owned by a natl of Italy, Rumania, Hungary, or Bulgaria, which is determined to be not subj to restitution under Para 2 of the relevant article of the peace treaty, falls under Para 1 of such article.

8. You will make restitution to Austria of property removed from Austria after 12 March 38 upon the same terms as are set forth in the relevant article of the treaties of peace referred to in Para 7 of this directive. You will coordinate restitution to Austria with the US High Commissioner so that, at his discretion, and within the means avail to him, products, subj to policy stated in Para 2 B (1), may be denied entry into Soviet occupied areas.

9. You will make restitution to Finland in the same manner as if the US were a signatory of the treaty of peace executed by that country.

10. You will make restitution to Italy, Rumania, Hungary, Bulgaria, Austria, and Finland of property removed from these countries under circumstances which do not fall within the terms of the treaties of peace or of Para 8 and 9 of this directive where to do so appears equitable and fols from application of the policies set forth in Para 2, 3 and 4 of this directive. In particular, and without limiting the generality of the foregoing, you will make restitution to Italy, so long as it is a participant in the European Recovery Program, of property removed from that country, as set forth in

**\*THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE SPIONAGE ACT, U.S.C. 50, 31 AND 32. THE TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.\***

(Aug 48)

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RG	56
Entry	Accsn 69-A-4707
File	RESTITUTION
Box	84

DECLASSIFIED  
 Authority 11N0978025  
 By SZ NARA Date 10-28-99

DEPARTMENT OF THE ARMY  
 STAFF MESSAGE CENTER  
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SECRET

Nr: WARX 88362

Page 4

\* Article 77 of the Italian Peace Treaty, after 23 Jul 43, including property removed by or under the auth of the so called Republican Fascist Govt.

11. You will report to this govt, with your recommendations, the facts with respect to any property which appears to have been removed from Albania by the Germans by force or duress.

12. The disposition of property removed from Latvia, Esthonia, and Lithuania is subj to later decision, except for ships which are disposable under TMCC agreement (see WX 84577, 16 April 46). The Soviet Union is not recognized as a proper restitution claimant for property removed from those countries.

13. The restitution of railway rolling stock and of inland waterway craft will be governed by special arrangements with the claimant governments. The disposition of looted gold, currencies, and securities will be made pursuant to separate instructions.

14. Confirming ourad, Aug WX 86914, you are auth to announce 31 Dec 48 as target date for terminating restitution deliveries, subj to conditions cited in urad Jul CC 5324."

NOTE: CC 5324 is CM IN 5709 (28 Jul).

ORIGINATOR: CAD

DISTRIBUTION: GEN VANDENBERG, CAD (STATE), JCS, NAVY, OUS, PO, LOGD, SANACC

CM OUT 88362

(Aug 48)

DTG: 281607Z chlp

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Authority MM 78 5009By MBL NARA Date 11/22/83

RG

260

Entry

USACA - Property Control116 A-Files

File

P-1400

Box

21

PREPARATORY COMMISSION FOR THE  
INTERNATIONAL REFUGEE  
ORGANIZATION

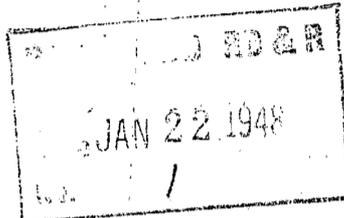
COMMISSION PREPARATOIRE DE  
L'ORGANISATION INTERNATIONALE  
POUR LES RÉFUGIÉS

Telephone : 2 80 00

Telegraphic address : PCIRO GENÈVE

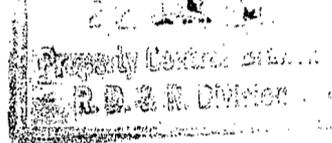
Palais des Nations  
GENÈVE

REF. No.:



13 January 1948

Mr. James Garrison,  
Chief, RD&R Division,  
USACA Section,  
USFA Vienna



Dear Mr. Garrison,

I regret very much not to have returned at an earlier date the enclosed set of English translations of the General Information Bulletins which your Division made available to me some time ago.

Unfortunately the enclosed was misaddressed to the Property Control Section, Germany. Your letter of 6 November arrived when I was in the States, and the enclosed have just been returned by the Property Control Division of COMGUS. I hope that no inconvenience was occasioned.

I am pleased to learn that all the packing and crating has been completed at the Salzburg warehouse. As I have cabled you, we are seeking to obtain the earliest possible transport so that we may remove the property from the warehouse as soon as possible.

My present plans call for a trip to Vienna early in February, and I look forward to seeing you at that time.

With kindest regards,

Yours sincerely,

Abba P. Schwartz  
Reparations Director

319175

1087

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DECLASSIFIED  
Authority 110785007  
By JW NARA Date 9-16-77

RG 260  
Entry German Extrad Assets  
File Confiscated Plants - Austria  
Box 167

ALLEGEDLY THE RUSSIANS CONFISCATED FOUR INDUSTRIAL  
PLANTS IN AUSTRIA

IMPORTANT FIRMS OF THE METAL INDUSTRY TAKEN OVER DURING THE LONDON  
CONFERENCES.

ACCORDING TO THE INFORMATIONES RECEIVED BY THE UNITED PRESS  
FROM WELL INFORMED SOURCES, THE RUSSIAN ELEMENT CONFISCATED FOUR  
IMPORTANT INDUSTRIAL FIRMS OF THE METAL INDUSTRY IN THE TIME SINCE  
THE BEGINNING OF THE LONDON CONFERENCES ABOUT THE AUSTRIAN STATE  
TREATY. HEREWITH THE AMOUNT OF FACTORIES AND WHOLE-SALE FIRMS WHICH  
HAVE BEEN CONFISCATED BY THE RUSSIAN ELEMENT SINCE THE ENTRY OF THE  
RED ARMY INCREASED TO 208 NOT INCLUDIN THE OWL-FIELDS. THE RUSSIAN  
AUTHORITIES CALLED THESE FOUR METAL FIRMS GERMAN PROPERTY AND THERE-  
FORE THE CONFISCATION AS BEING JUSTIFIED. THREE MONTHS AGO RUSSIA  
ONLY ADMINISTRED 160 AUSTRIAN FIRMS.

THE FIRMS TAKEN OVER DURING THE LONDON CONFERENCES ARE:

- 1.) WIENER BRUECKENBAU UND EISENKONSTRUKTIONEN A.G., A LARGE FACTORY  
WHICH EMPLOIES MORE THAN 1000 LABOURERS AND COVERS MORE THAN ONE TH  
THIRD OF THE AUSTRIAN REQUIREMENTS ON BRIDGEBUILDING AND IRONCONTRUC-  
TION ~~XXXXXXX~~ EQUIPMENT. THE COMPANY BELONGED TO THE CREDITANSTALT  
WHICH WAS AUSTRIAN UNTIL 1938.
- 2.) THE TENDLOFF VAMAG WHICH MANUFACTURES AUXILIARY MACHINES AND  
WHICH WAS EXCLUSIVELY AUSTRIAN PROPERTY UNTIL 1938; MOST OF THE SHARES  
WERE PROPERTY OF THE CREDITANSTALT BUT HAD TO BE DELIVERED TO A  
GERMAN FIRM AFTER 1938.
- 3.) KROMAG, A TOOL FACTORY AT HINTERBERG.
- 4.) THE SIMMER RINGER-GRAZ-PANKER-WERKE, THE WELL KNOWN RAILWAY-CAR  
FACTORY WHICH BELONGED TO THE OESTERREICHISCHE KREDITGESELLSCHAFT  
AND SO UNTIL 1938 TO THE OESTERR. NATIONALBANK. IT WAS TAKEN OVER BY T  
THE GERMAN REICHBANK WITHOUT ANY INDEMNIFICATION. THE MACHINES-STOCK  
OF THIS FACTORY WAS CONFISCATED AFTER THE LIBERATION; THE WORKS WERE  
ESTABLISHED WITH NEW MACHINERY AT EXCLUSIVELY AUSTIRAN EXPENSE.

ALL AUSTRIAN OBJECTIONS AGAINST THE LAST REQUISITION WERE  
WITHOUT RESULT. ACCORDING TO THIS SOURCE THE RUSSIAN OFFICIALS  
ADMITTED THAT THE SOWIET UNION INTENDS TO ESTABLISH AN ADVANTAGEOUS  
DISCUSSION BASIS BY CONFISCATION OF AS MANY AUSTRIAN WORKS AS POSSIBLE

FURTHERMORE THE RUSSIAN AUTHORITIES CONFISCATED RECENTLY THE  
ESTATE GREINBURG TO THE EXTENT OF 7556 HA, SITUATED AT THE BORDER  
~~XXX~~ BETWEEN LOWER AND UPPER AUSTRIA WHICH BELONGED TO THE DUKE VON  
SACHSEN-COBURG-GOTHA.

FURTHER THE RUSSIAN ELEMENT RECENTLY ANNOUNCED THAT THEY  
WILL LIQUIDATE THE AUSTRIAN PART OF THE REICHAUTOBAHNGESELLSCHAFT.  
IN VAIN THE AUSTRIAN GOVERNMENT POINTED OUT THAT PARTS OF THE REICHS-  
AUTOBAHN WERE PAID EXCLUSIVELY WITH AUSTRIAN TAXMONEY, AS THE SECTION  
VIENNA-BRUENN WITH THE PETROL-TAX.

SUPPLY ONLY TO RUSSIA?

THE INFORMANT FURTHER REVEALED THAT THE RUSSIAN ZONE WAS HERMATICALL  
SEPARATED FROM THE REST OF AUSTRIA, DURING THE LAST TWO OR THREE  
MONTHS. WHILE THE AUSTRIAN ECONOMY UNTIL RECENTLY DERIVED ADVANTAGE  
TO SOME EXTEND FROM THE FACTORIES ADMINISTERED BY THE RUSSIANS, NOW  
THE PRODUCTS ARE LOADED FOR TRANSPORTATION TO RUSSIA. THIS ESPECIAL  
APPLIES TO AGRICULTURAL MACHINES, WHICH ARE SEND TO RUSSIA ALTHOUGH  
THEY ARE BADLY NEEDED FOR THE AUSTRIAN ECONOMY, AND ARE SEND AS  
"ARMY GOODS" IN ~~ORDER~~ ORDER TO AVOID THE CUSTOM DUTIES. IN THE SAME WAY  
THE AUSTRIAN CHEMICAL INDUSTRY WHICH IS UNDER RUSSIAN ADMINISTRAT  
WAS INFORMED TOSTOP THE SUPPLY TO THE DOMESTIC MARKET.

THE DECISION OF THE FOUR POWERS ABOUT THE FATE OF THE GER  
PROPERTY IN AUSTRIA WAS FORESTALLED BY THE ORDER GIVEN TO THE FI  
ADMINISTERED BY THE RUSSIANS TO PAY ALL DEBYS DUE TO GERMANY TO  
RUSSIA. SEVERAL FACTORIES WHICH COULD NOT FULFIL THESE OBLIAGTI  
BACAME THEREBY IN FINANCIAL RESPECT COMPLETELY DEPENDENT ON THE  
RUSSIAN ARMY BANK AT VIENNA.

CONFISCATED PLANTS IN AUSTRIA  
(BY RUSSIANS)

1-167

310176

105T

*Ref. Rovano*

USFA MESSAGE CENTER

# INCOMING MESSAGE

*[The main body of the document is extremely faded and illegible. It appears to contain a message header and body text, but the characters are too light to transcribe accurately.]*

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DECLASSIFIED  
 Authority *WD 785007*  
 BY *JW* NARA Date *9-16-99*

RG *260*  
 Entry *[illegible]*  
 File *[illegible]*  
 BOX *412*

*Serial #10*  
*RESTRICTED (RM) (u)*

REPRODUCED AT THE NATIONAL ARCHIVES

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USFA MESSAGE CENTER  
**INCOMING MESSAGE**

UNCLASSIFIED

their functional activities.

15. You shall take steps to deliver all paper currency of UNITED NATIONS countries invaded or occupied by GERMANY, now in your zone to the Government of the country of issue without the necessity of proof that it was located or otherwise acquired in that country during the period of German invasion or occupation.

16. You shall take steps in your zone to uncover and secure possession of property covered by paragraphs 28, 29 and 30, mentioned above, held or submitted by individual governments, and to restore such property to the government of the country from which it was taken.

(General Provisions)

17. You will require the claimant governments to give receipts for items received by them in accordance with provisions of the directive. These receipts shall contain a brief description of the item received and its condition, and a waiver of any further claims of reparation or other value based upon the removal of items concerned by this German directive, or the action of funds used by the Germans to pay claims.

18. You will keep a complete record of items remaining or distributed in accordance with the provisions of this directive and you will submit to the Control Council and your Government monthly reports on the progress of the restitution program.

19. The cost of administering this program of restitution shall be counted as part of the costs of occupation.

20. Any property subject to restitutions uncovered in USSR and subsequently moved to GERMANY shall be regarded as uncovered in GERMANY.

21. Written final determination of the amount and character of reparations removals to be made by 2 February 1948, where there is no restitution of any items of equipment of key importance to military efforts in GERMANY is essential to maintain peace and recovery.

AGENCY: PERSONAL FOR GENERAL CLARK  
FIELD: GEN. HOFFER (4) (ATTN: MILITARY OFFICE)

DO NOT: REPLY TO THIS MESSAGE TO THE DEPARTMENT OF RESTITUTION  
IN THE OFFICE OF THE CHIEF OF THE DEPARTMENT OF RESTITUTION

MOBILE 9987 30 NOVEMBER 25 1947 2200A REP. NO. 11118565  
COPY No.

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Authority: 110785007  
By: JWC NARA Date: 9-16-99

RG  
360  
Entry  
File  
Box

RESTITUTION (4-1-48)  
General Files

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RG 260  
Entry ~~XXXXXXXXXXXXXXXXXXXX~~  
File ~~XXXXXXXXXXXXXXXXXXXX~~  
Box ~~42~~ 42

DECLASSIFIED  
Authority 110785007  
By JW NARA Date 9-16-99

*Journal Files  
RESTRICTION [Jan 14 92]*

DRAFT

DRAFT

**HEADQUARTERS  
UNITED STATES FORCES IN AUSTRIA  
APO 777, U. S. ARMY**

**SUBJECT: Transfer of German Assets in Austria to the  
Trusteeship of the Federal Government of  
Austria**

**TO : Commanding General, Zone Command, Austria  
Commanding General, Vienna Area Command**

1. Recission.-- Letter, Hq. USFA, file AG 011-ACA/X, subject "Transfer of German Assets in Austria to the Trusteeship of the Federal Government of Austria," 1 August 1946.

2. In accordance with the agreement of 16 July 1946, between the Government of the United States of America, and the Federal Government of Austria, whereby the latter is to be appointed trustee for German assets in the US Zone, Austria, and US Vienna Area, the following action and procedures will apply:

a. In the case of each business enterprise, real estate and movable property, a signed copy of the schedule effecting the transfer to Trusteeship, will be forwarded to the appropriate Military Government Property Control Officer. This will serve as official notice that the Federal Government of Austria has been appointed Trustee for the Asset. The Property Control Officer will, upon receipt of the signed copy of the schedule, convey the necessary information to the appropriate banking houses and administrators.

b. After the release of any business enterprise, real estate or movable property to the Trusteeship of the Federal Government of Austria, any custodian, manager, sequestrator, administrator or other agent previously appointed in respect to the property released will be subject to the authority of the Trustee.

319179

*Original Files  
Reservion [Jan '49]*

RG 760  
 Entry ~~XXXXXXXXXXXXXXXXXXXX~~  
 File ~~XXXXXXXXXXXXXXXXXXXX~~  
 Box 42

DECLASSIFIED  
 Authority 140785007  
 By JW NARA Date 9-16-99

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Ltr, Hq. USFA, subj: "Transfer of German Assets in Austria to the Trusteeship of the Federal Government of Austria", dtd

c. Under its trusteeship, the Federal Government of Austria will cause to be performed all acts of management necessary for the continuance of the normal activities of the business enterprises (industries, companies, factories) released in the US Zone, Austria, or US Vienna Area, subject to the provisions of the agreement of 16 July 1946, and the appropriate schedule of transfer.

d. Subsequent directives and/or instructions will, when necessary, be issued by this Headquarters to the Federal Government of Austria. Copies of such directives and/or instructions will be forwarded to the appropriate Property Control Officer, who will be responsible for ascertaining that these directives and/or instructions are carried out.

e. Property Control Officers will transmit to this Headquarters (Attention EDR Division, Property Control Branch) any information which may come to their attention concerning the administration and operation of trusteeship properties. Investigations or audits of properties under trusteeship will be conducted by the Property Control Officers upon orders from this Headquarters.

Distribution:

- CO, Zone Command, Austria
- CO, VAC
- OCESO
- EDR Div, USACA
- Econ Div, USACA
- Econ Div, USACA
- Civ Supply, USACA

319180

POST

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RG 760  
Entry ~~XXXXXXXXXXXXXXXXXXXX~~  
File ~~XXXXXXXXXXXXXXXXXXXX~~  
Box ~~42~~

DECLASSIFIED  
Authority 140785007  
By JW NARA Date 9-16-99

Decimal Files  
[Restinson Jan '49]

SECRET

INCOMING TELEGRAM

FROM: SECSTATE, WASHINGTON

DATE: March 16, 1946, 8 a.m.

TO:  
ROME  
BUDAPEST  
BUCAREST  
HELSINKI  
VIENNA

NO.: CIRCULAR

RECD: March 17, 1946, 10 a.m.

CODE: RESTRICTED

REFIED TO: USPOLAD, BERLIN  
FOR INFORMATION

U.S. URGENT.

Following is substance of JCS directive to Commanders U.S. Zones Germany and Austria reference restitution to Italy, Hungary, Rumania and Finland and to Austria from Germany which is supplement to outstanding directive reference restitution to United Nations.

Pending agreement in Control Council on scope of restitution to above-named countries U.S. zone commanders instructed to undertake interim program of restitution to Governments of these countries of specified categories of identifiable property acquired by Germany through act of force or removed to Germany or Austria without compensation and removed from Italy between September 3, 1943 to May 15, 1945; from Hungary between January 21, 1945 and May 15, 1945; from Rumania between September 12, 1944 and May 15, 1945 and from Austria between March 12, 1938 and May 15, 1945.

Following summarizes categories of property covered by directive (a) whole range of cultural and artistic works, museum collections, libraries, archives, etc. Restitution of this category requires only submission of satisfactory proof of identifiability by claimant government irrespective of circumstances of removal; (b) heavy and power-driven industrial and agricultural equipment, communication, power and transportation equipment, except seagoing vessels; and (c) other property (except gold, securities and foreign currencies) found in storage or bulk form. (Restitution of this category need not be made if zone commander considers restitution would jeopardize minimum requirements German or Austrian economy or require additional U.S. assistance to Germany or Austria).

Zone commander may defer restitution transportation equipment pending formulation of overall program so as not to reduce available transportation below need for purpose of occupation, minimum requirements of German and Austrian economy and recommendation of EQUITO.

Please deliver to Government to which you are accredited memo along following lines:

"Pending agreement on scope of restitution among occupying powers of Germany and Austria the Government of the U.S. has instructed the Commanders-in-Chief of U.S. zones of occupation in Germany and Austria to undertake an interim program of restitution to the Government of (blank) of identifiable property other than gold securities and currencies removed from (blank) during the period from (blank)

*Original Files  
Assignment [Jan 1947]*

RG	<u>260</u>
Entry	<del>Germany</del>
File	<del>Austria</del>
Box	<del>42</del>

DECLASSIFIED
Authority <u>NUM 785007</u>
By <u>JW</u> NARA Date <u>9-16-77</u>

319182

**COPY**

According Government of U.S. invites the (blank) Government to submit to the U.S. Government one or more lists of such property which (blank) Government has reason to believe may be located in U.S. zones of occupation in Germany or Austria. These lists should, so far as possible refer separately to such property believed to be in Germany and Austria. They should further contain as much description of property as possible and as may be required to enable occupying authorities to identify property and should include all available information as to location of property.

Following the receipt of these lists, which may be submitted serially and which may indicate priorities in the urgency of return, it is intended, where necessary, to invite (blank) Government to one a small mission to U.S. zones of occupation in Germany and Austria for purpose of identifying such of the lists property as each of the occupying authorities may have been able to discover in his zones."

Lists received by mission should be transmitted directly to MURPHY in Germany or ERHARDT in Austria for delivery to U.S. military authorities. Please make available to Department duplicates of lists forwarded to Vienna and Berlin. For your information, practice has been for military authorities to extend at appropriate time invitation to Governments concerned for missions to U.S. zones.

BYRNES

RC

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*Cost.*

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DECLASSIFIED  
Authority WD 785007  
By JW NARA Date 9-16-79

RG 260  
Entry German External Assets  
File IARA Interest Austria  
Box 167

Col. Owen

Scum

PART 4. IARA Claims on Assets in Western Zones of Austria.

Duration of stay in Brussels: 18th to 20th September 1946.

Persons Contacted:

- Mr. Russell H. Dorr, Minister and U.S. Delegate to Inter-allied Reparations Agency.
- Mr. H. Dearborn, Assistant to Mr. Dorr.
- Mr. Fagan, U.S. Citizen, Member of the (International) Secretariat of IARA.

1. Before my departure from Vienna, I had received a list of questions from Col. E. T. Owen. I discussed these questions with Mr. Dorr and Mr. Dearborn and later on with Mr. Fagan. The answers presented below are based primarily on my discussions with Mr. Dorr. However, Mr. Fagan, who is a member of the Secretariat of IARA and thus represents the view of the Inter-allied Agency (as distinct from the view of the U.S. Delegation), concurred with Mr. Dorr, emphasizing merely the rights of IARA if the Occupying Powers would declare German assets in Austria "appropriate" for reparations. The questions and answers follow:

**QUESTION:** 1(a). Has the proposal been made that all signatories agree to relinquish claims to reparations from German assets in Austria?

**ANSWER:** The proposal that all signatories to the Paris Act relinquish claims to reparations from German assets in Austria has not been made and will not be made on U.S. initiative because the U.S. position is as follows:

- a) The provisions of the Paris Act deal with the disposition of German external assets in IARA and neutral countries only; the question of German assets in Austria is left wide-open.
- b) The Potsdam Agreement mentions German assets in Austria which the signatories (of Potsdam) deem "appropriate" for reparations. The U.S. can take and will take the position that it does not consider any assets in the Western Zones of Austria "appropriate" for reparations.

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Authority 100785007By JW NARA Date 9-16-99RG 260Entry German External AssetsFile IAPA INTERESTS AustriaBox 167

**QUESTION:** 1(b). What is, or what would be, the reaction to the proposition in (a) above?

**ANSWER:** The question has never been raised by the U.S., not even informally, because the delegation does not want to give the impression that there is any question of jurisdiction of IAPA over German assets in Western Austria. The Yugoslav delegation has made informal advances with the IAPA Secretariat regarding German assets in Austria, and indicated that it wished to raise this question. Similarly, the Norwegian delegation has, in private conversations, raised the same issue. But no formal action has been taken as yet. Mr. Dorr indicated that the Yugoslav delegation probably acted at the instigation of the Soviets, while the Norwegian delegation is eager to increase the "reparations pot" as a general proposition.

**QUESTION:** 2(a). If reparations are not renounced, how much would be claimed as reparation?

**ANSWER:** The U.S. position is "nothing", unless British or French consider some German external assets as "appropriate". In this connection, I learned that the U.S. position regarding the interpretation of the phrase "governments concerned" used in Part III of the Paris Act, is that it can mean either that the government of each zone of occupation is the "government concerned" or that the three governments jointly can determine the "appropriateness" of German external assets.

**QUESTION:** 2(b). Who would adjudicate values for reparations payment?

2(c). How would payment be made -- manufactured goods or monetarily?

**ANSWER:** So far, no procedure has been established for Austria. In IAPA countries, the respective governments are under the obligation to liquidate German assets at a "fair price". IAPA itself has the general obligation to assure that (a) All German assets are liquidated, and (b) That they are liquidated at a fair price. Liquidation means elimination of German ownership and management control, not physical destruction or physical transfer. In neutral countries, the United States, Great Britain, and France are to act as trustees for all IAPA countries. The proceeds of the liquidation of German assets would go to IAPA and would be shared by all IAPA countries. This second method could be

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Authority 100785007By JW NARA Date 9-16-99

RG

260Entry German External AssetsFile IANA-Industry Austria

Box

167

eventually applied to Austria. (U.S., France and Great Britain would dispose of German assets and turn over proceeds to IARA. The proceeds could be foreign exchange, or if the reparation assets are sold in Austria, schillings.) No physical transfer through dismantling is envisaged. Likewise, no proportionate participation by IARA countries in enterprises declared as appropriate for reparations. (Regarding connection between reparations and surplus industrial capacity, see below.)

QUESTION: 2(d). Over what period would such payments extend?

ANSWER: This depends on the process of "liquidation" by the trustee governments.

QUESTION: 2(e). Define briefly, "German external assets located in Austria, suitable for reparations".

ANSWER: See above -- none. (U.S. position.)

QUESTION: 3. Article 14 of the Final Act of the Paris Conference on Reparations indicates that even if the U.S. renounced its own claims, this would not help Austrian economy since this would merely increase the share of the other nations. Is this view correct?

ANSWER: Correct. Therefore, renunciation would be impractical.

\*\*\*\*\*

2. Taking account of the list of questions submitted by Lt. Col. Sawyer, I discussed also the connection between the determination of the level of Austrian industry which may result in declaring certain industrial installations in Austria "surplus", and eventual reparation claims. Mr. Dorr indicated that, in his opinion, there was no connection between the "appropriateness" of German assets for reparations and "surplus" resulting from the determination of the level of industry. It is conceivable that Austria could sell excess industrial installations abroad and retain the proceeds if the particular German asset was not declared "appropriate" for reparations. However, he assumed that certain IARA countries would claim that surplus capacity should be considered appropriate for reparations. He emphasized, however, that only the liquidation value of such surplus capacity would belong to IARA and not the surplus installations themselves.

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Authority 100785007By JW NARA Date 9-16-99

RG

260Entry German External AssetsFile IANA Interest Austria

Box

167

3. Mr. Dorr stated that he conveyed to me what he believed to be the U.S. position if the question of Austrian assets in Germany should arise within the IANA setup. However, he suggested that, on the basis of the information which he provided, a general policy outline should be formulated by this headquarters and submitted for approval to the State Department. I wish to add that on certain points, Mr. Dorr was very definite, particularly in his assertion that a physical transfer of German assets in Austria is entirely out of the question.

KOST

Austria

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AIRGRAM

RESTRICTED

FROM: American Legation  
Vienna, Austria  
DATE: March 3, 1949  
MAILED: March 3, 1949  
REC'D:

Secretary of State  
Washington

A-156, March 3, 1949

Reference Department's A-271, dated October 28, 1948.

The cases referred to involve two classes of property as follows:

- a. German Jewish owned movables seized in Germany and transferred to Austria.
- b. German Jewish owned immovables located in Austria and seized in Austria.

Regarding a. -, the movable property seized in Germany and transferred to Austria, - the German Jewish owners could not seek the return of this property under the Austrian Restitution Laws. The Third Austrian Restitution Law (Law #54 of 6 February 1947) deals with this type of property. Para 1 Subpara 1 of that Law provides as follows:

"This law shall deal with property of which the owner (person entitled) hereinafter referred to as the owner, was dispossessed during the period of the German occupation of Austria in connection with the National Socialist accession to power; it shall make no difference whether such dispossession was effected arbitrarily, or by virtue of laws or other provisions, or, in particular, by means of legal dispositions or other legal acts."

Since the seizure of subject movable property occurred in Germany, these claimants are excluded from the benefit of the Austrian Restitution Laws.

On the other hand, it is possible that the German Jewish claimants could seek the recovery of the movable property under the provisions

of para

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RG	260
ENTRY	German & Austrian Assets
FILE	PROPERTY - German Assets
BOX	166

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Authority WND 785007
By JWC NARA Date 9-16-79

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321.3 - FREUNDLICH Bros.

AmLegation, Vienna  
A-156  
March 3, 1949

**RESTRICTED**

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- 2 -

of Para 366 of the Austrian Civil Code. To do so they would need to locate this property and describe it in such a way that it could be definitely identified and also identify the present private possessors of the property.

Regarding b.-, the immovable property seized in Austria, - subject claimants would be entitled to attempt to seek the return of this property under the Third Austrian Restitution Law since the seizure occurred in Austria during the Nazi occupation thereof.

At the present time there is no agreed definition of what constitutes a German External Asset in Austria appropriate for reparations although there is indication that the property of German persecutees located in Austria will not be defined, under the terms of the Austrian State Treaty, as "appropriate for reparations." It follows then that all German property in Austria falling within this category must be treated as "possibly appropriate for reparations" until such a time as there is a Treaty or other Allied definition of that term.

Under these circumstances, the RD&R Division, of the USACA Section, Headquarters, USFA, has been forced to adopt the following interim policy:

All property in Austria owned by Germans of any category on 8 May 1945 must be held for such disposition as may be directed by the Austrian State Treaty or other Allied Agreements.

In the event that subject claimants established in Austrian Courts the right to the return of either their ~~moveable~~ or immovable property in Austria, it would immediately become German External Assets in Austria to be held as "possibly appropriate for reparations."

It is realized this class of cases present hardships which should be allievated through equitable relief. Under present policy and directions only the fact of German ownership may be used as a guide for action. It is felt here that the procurement of any relief, so obviously appropriate, is, as emphasized above, solely dependent upon the provisions of an Austrian State Treaty or other Allied Agreement.

ERHARDT

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~~RESTRICTED~~

RG	260
Entry	German External Assets
File	PROPERTY - (German Persecutees)
Box	166

DECLASSIFIED
Authority WND 785007
By JWC NARA Date 9-16-99

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REST. AUS

MEMORANDUM

HEADQUARTERS U. S. FORCES IN AUSTRIA  
REPARATIONS, DELIVERIES AND RESTITUTION DIVISION  
GERMAN EXTERNAL ASSETS BRANCH  
APO 777, U.S. Army

TO: Head GEA Branch

Date 9 November 1948

SUBJECT: Restitution Claim of Freundlich Brothers, Munich, and  
State Department wire, 29 October 1948.

- (1) The inquiry of the State Department dated 29 October 1948 lacks certain information without which the questions asked cannot be properly answered. Until such information is revealed it will be impossible to establish any analogy between this and similar previous cases or to give an opinion in the matter based on present policy.
- (2) The following information is needed for a proper analysis:
  - (a) Who are the present owners of the properties in the U.S. Zone of Austria,
  - (b) What was their nationality on 12 March 1938 and 8 May 1945,
  - (c) Evidence of duress applied upon the former owners,
  - (d) Compensation paid to the former owners.
 With this information at hand this branch should be able to determine whether or not the properties in the U.S. Zone of Austria are German External Assets under the present U.S. view. Such decision (if in favor of the former owners) would not necessarily make possible a restitution until an Austrian peace treaty is written.
- (3) To determine whether or not the properties in the French Zone of Austria are subject to restitution would depend on the decision of the French authorities. This branch could possibly obtain such decision through liaison with the French Element. It would be necessary for the State Department to clearly identify these properties.
- (4) The Restitution Branch of the RD&R Division has up to this time only restituted German property in Austria to public German institutions (through OMCUS) such as museums, libraries, etc. Purposely no restitution has been made of properties claimed by individual German nationals. The theory is that such property in Austria may become German External Assets under the terms of the future Austrian Peace Treaty.

RG  
260  
Entry German External Assets  
File PROPERTY - German Assets  
Box 166

DECLASSIFIED  
Authority WD 785007  
By JW NARA Date 9-16-79

319189

To: Head GEA Branch

Subject: Restitution Claim of Freundlich Brothers, Munich, and State Department wire, 29 October 1948.

- (5) <sup>no</sup> The Austrian restitution laws have jurisdiction over these properties so long as they are classified German properties. Under the terms of the Control Agreement of July 1946 the Austrian Government may not dispose of German property in Austria without the consent of the Allied Council. In the absence of quadripartite agreement the High Commissioners may dispose of German properties in their respective zones. The Austrian Government in recent months has made various attempts to obtain quadripartite agreement in specific cases to render the German properties involved subject to Austrian laws. Such agreement has not been reached and is not likely to be reached for the time being.
- (6) It is recommended that the State Department in Washington be informed of the Restitution policy of this Headquarters and of the restrictions imposed upon the Austrian Restitution Laws by the Control Agreement. If further action is desired complete information as outlined in Par. 2 is required.

*Hans H. Schroeder*  
 HANS H. SCHROEDER  
 GEA Branch, RD&R Div.

RG 260  
 Entry *Freundlich Brothers*  
 File *PROPERTY - (German) Restitution*  
 Box 166

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 Authority *100-785007*  
 BY *JW* NARA Date: *9-16-97*

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Authority <sup>NND</sup> 785010  
By TJ NARA Date 12/22/89RG 260-USACA  
Entry 117  
File A154  
Box 1Translation ex German

Exempt from duty according to  
§ 6 of the 1st Rest. Law.

No. 33/33 II VR 1948  
=====

To the  
Finanzlandesdirektion  
Linz a.d. Donau  
=====

Applicants: 1) Hans P a s c h ,  
2) Adele P a s c h ,  
3) Grete P a s c h ,  
all of them at present in New York, 71 5th Ave-  
nue, represented by:

Dr. Renée Kiwe  
Lawyer  
Vienna IV., Brucknerstr. 4  
Tel. U 47-5-80 and U 47-5-81

Appeal against the order of the Finanzlandesdirektion of  
14 June 1948

Duplicate.

319191

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Authority 785010By IJ NARA Date 12/22/89RG 260Entry 117File A154

319192

- 7 -

prove that for inst. the amount of RM 5,000.- originated from returns of the real estate itself which the Oberfinanzpräsident had received. It cannot be that that which is true in one case is not true in the other case. For the reasons set forth below the Finanzlandesdirektionen refuse to be considered legal successors of the German Reich and decline to disburse the proceeds for the period from 1938 to 1945 insofar as they are not within the country any more. The Finanzlandesdirektion is not entitled to shift its stand when it considers this to be of advantage to it; so little as the Finanzlandesdirektion is obligated to hand over the proceeds so little is it entitled to charge an amount, which it paid out of the proceeds, against the applicants.

The following must be added: the contested decision makes mention only of amounts which were collected by the Oberfinanzpräsident. The contested decision fails to mention any additional amounts which may have been received by the Oberfinanzpräsident. If the principle, which this appeal upholds, is correct, then, of course, a right of compensation must exist for all proceeds for the whole period of administration of the real estate by the Oberfinanzpräsident, and for the alleged claims of the latter. At any rate, however, the contested decision furnishes no proof whatsoever, that the amount of RM 100,000.- was paid out of the means of the German Reich. On the contrary: it is expressly stated that the Oberfinanzpräsident Innsbruck made the payment in his capacity as liquidator of the forfeited property of the firm Friedrich Pasch, in other words, evidently out of the means of the firm Friedrich Pasch. One cannot refer to these means as means of the German Reich unless one regards the rest of the forfeited

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Authority

785010

By TJ

NARA Date 12/21/89

RG

260

Entry

117

File

A 154

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- 8 -

property of the restitutes, as for instance their confiscated securities etc., as means of the German Reich.

Moreover, attention is called to the fact that the contested decision, by making the statements referred to, is not grounded at all.

There is no legal remedy whatsoever with which to make the <sup>APPLICANTS</sup> pay interest or a security. The ruling regarding interest and security for annex is in no wise grounded in the decision and cannot be grounded for want of a legal basis.

2.) As mentioned above, the Finanzlandesdirektion refuses to disburse the proceeds for the period from 1938 to 1945 received by the Oberfinanzpräsident, insofar as they are not within the country any more. The provisions of the law relative hereto are based on the following reasoning:

The Austrian Government holds that it is by no means the legal successor of the German Reich. This stand is responsible for the refusal of the Austrian Government to indemnify Jews for Reichsfluchtsteuer (Emigration tax) and Judenvermögensabgabe (Jew property tax) paid to the Oberfinanzpräsident, or to meet such liabilities as date back to the nazi aera. The comment Heller-Rauscher-Baumann says the following in connection herewith (page 165):

" Austrian statesmen repeatedly declared that the Austrian State, having had no part

319193

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By

TJ

NARA Date 12/22/89

RG 260  
Entry 117  
File A154  
Box 1

- 9 -

in the expropriations and losses inflicted, cannot be required to make amends for this grave injustice, and that the aid extended by the Government had to be limited to furnishing legislative means and to implementing restitution of property still existing to the actually entitled persons and to having the guilty persons pay indemnifications, in adapting the Austrian civil law to the principles of the London Declaration (pamphlet 1, page 40).

It is true that the Austrian State declines every responsibility but on the other hand it does not want to derive any profits from the legal actions leading to restitution."

This reasoning stretches throughout the legislation like a red thread. State officials restored to their former positions are not paid their salaries for the period until 1945, pensioners receive their pensions only for the time from May 1945, but not for the period from 1938 to 1945 insofar as these pensions were not actually paid out etc. etc.

Thus, it can be considered an established rule that the position taken invariably by the Austrian State is the following: the Austrian State most peremptorily refuses to be termed or considered the legal successor of the German Reich and it takes all consequences resulting from this standpoint, especially the consequence that no payments whatsoever are made for the period from 1938 to 1945.

319194

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AND  
Authority 785010  
By TJ NARA Date 2/22/89RG 260Entry 117File A154Box 1

- 10 -

3.) If this standpoint is justified then the Austrian State and its organs are not entitled to raise any claims which are due the German Reich exclusively.

It would be a dangerous precedent if the Austrian State would deviate from the adopted policy. If the Austrian State takes possession of claims due the German Reich then there can be no doubt that it is also responsible for the liabilities of the German State. If this is true, not only the Austrian courts would decide but in cases in which foreigners, particularly Allied persons raise claims, the international court at Hague as well. I emphasize that my clients are American citizens and that they cannot be expected to accept a standpoint which could be interpreted in such a manner that on one hand assets of the German State are claimed by the Austrian State, liabilities of the German State, however, are not met on the other hand.

My clients are entitled to raise claims against the German State which by far exceed the amount previously alluded to. Their enterprises were sold under compulsion by a trustee appointed by organs of the German State and that at a price which was far below the actual value; following the usual pattern the Vermögensverkehrsstelle did not at all take into consideration the goodwill. Mr. Hans Pasch

319195

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Authority 785010  
By TJ NARA Date 12/21/89RG 260  
Entry 117  
File A154

- 11 -

has a claim against the German State on account of unwarrantable arrest. All of my clients are entitled to raise a claim on account of having been exiled and deprived of their existence. Hence, even if the claim of the Oberfinanzpräsident should be justified, it is by far exceeded by counter-claims which would set off this claim possibly raised.

4.) In this connection the decision is also contested because the principle of giving the parties an opportunity of being heard was violated. As appears from the file it has been worked on for an unduly long period of time. Only after repeated urging and claiming the contested decision was passed. The applicants know now why this happened. Evidently frequent questions and counter-inquiries were necessary in order to arrive at the contested decision. It would have been appropriate to give the applicants, who are represented by a lawyer in Austria, also a chance of defining their point of view in regard to the problems in question, the more so as they cannot be said to be of insignificant material value only. Instead of that, this decision arrived as a startling effect. Herein lies a violation of binding legal standards. (§ KVG).

5.) In the contested decision it is expressly stated that the claims involved in the subject case are claims for reimbursement of expenditures by the German Reich. On the grounds set forth above the

319196

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Authority 785010  
By TJ NARA Date 2/22/89RG 260  
Entry 117  
File A154

- 12 -

applicants contest any authority of the Finanzlandesdirektion and the Republic of Austria to assert claims for indemnification on behalf of the German Reich or to go so far as to assure them in its own favor. The conclusions which have to be drawn from such a legal succession have been laid down above. Such a practice would enable everybody, who is entitled to raise indemnification claims against the German Reich, to proceed with success against the Republic of Austria, at least with a view to § 1409 abGB if not as universal successor.

6.) If, however, this stand of the Finanzlandesdirektion is justified, namely, that the Republic of Austria is entitled to pretend to claims which are due the German Reich, then I herewith counterbalance this claim of the Republic of Austria in its capacity as legal successor of the German State with the following claims of my clients:

My clients were owners of the following properties:

- a.) a shoe trading company in Linz, Landstrasse 54/56,
- b.) a shoe shop in Linz, Taubenmarkt 2,
- c.) a shoe shop in Wels, Kaiser Josefs Platz 10,
- d.) a shoe shop in Amstetten, Hauptplatz,
- e.) a shoe shop in Salzburg, Parislaudronstr. 2,
- f.) a shoe shop in Salzburg, Mirabellplatz 6,
- g.) a shoe shop in Braunau am Inn, Hauptplatz,
- h.) 25% of the shoe trading company Paga, Ges.m.b.H.,
- i.) a fashionably furnished apartment in the building  
Linz, Bauernmarkt 2,

319197

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Authority 785010  
By TJ NARA Date 12/21/89RG 260Entry 117File A154Box 1

- 13 -

j.) jewelry, cash and securities which were deposited with the Devisenbank.

All of these enterprises and values were sold by the German Reich without consent of the applicants by order of the Vermögensverkehrsstelle through a trustee at ridiculously low prices. The damage hereby inflicted upon my clients exceeds by far one million Schillings, even if one takes into consideration the fact that a number of the enterprises have been and will be restituted.

Herewith I assert in the name of my clients this claim against the Republic of Austria and I ask that this appeal be regarded at the same time as assertion of the claim concerned, the amount of which I shall have established and confirmed by experts and witnesses. These claims of my clients as well as Reichsfluchtsteuer (Emigration tax) and Judenvermögensabgabe (Jew property tax) possibly paid by my clients I counter-balance herewith up to the amount of S 117,930 with the claim contested by myself and due the Republic of Austria according to the contested decision, and I demand payment of the balance into a blocked account in favor of my clients. Moreover I demand in the name of Hans Pasch, who, as aforementioned, is an American citizen, an amount of S 100,000.- as indemnification for unwarrantable arrest, for injustice done to him, and for inhuman discrimination because of his Jewish descent; in addition, I demand

319198

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Authority 785010  
By TJ NARA Date 12/22/89RG 260  
Entry 117  
File A154  
Box 1

- 14 -

in the name of my clients compensation for loss of income for the period from their expulsion from Austria to the day on which the enterprises are *actually* restituted to them, less the amounts which the aryanizers may have to pay to them as proceeds on the strength of the 3rd Rest. Law.

On all of these grounds I request that the decision be amended, insofar as it was contested, in such a manner that the property right of the applicants has to be recorded in consequence of the restitution of the subject real estate free of incumbrances and that the proceeds, as far as they are within the country, are to be handed over. The guarantee to be obtained by a lien and the recording of such a guarantee should not be accomplished.

For the applicants:

Vienna, 28 June 1948

Translated by: Gerhard Stuckmann

Checked by : Dr. Grete Lorenz

319199

DECLASSIFIED  
Authority: NND 795071  
By: [Signature] NARA Date: 12/28/99

RG 407  
Entry # 368 B  
File ADPS & ADST - Austria  
Box ~~1451~~

*AUS*

*Austria - Reparations & Restitutions*

HEADQUARTERS  
UNITED STATES FORCES IN AUSTRIA  
USACA SECTION  
Reparations, Deliveries and Restitution Division  
APO 777, U.S. Army

SUMMARY REPORT ON CLAIMS AND RESTITUTIONS  
As of 31 Dec 1947

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 Authority NND 795077  
 By  NARA Date 12/28/99

 RG 1407  
 Entry # 368 B  
 File NEWS & REST. AUSTRIA  
 Box ~~1451~~ 1451

HEADQUARTERS  
 UNITED STATES FORCES IN AUSTRIA  
 USACA SECTION  
 Reparations, Deliveries and Restitution Division  
 APO 777, U.S. Army

REPORT ON CLAIMS & RESTITUTIONS AS OF 31 DECEMBER 1947

TABLE OF CONTENTS

<u>SUBJECT</u>	<u>PAGE NUMBER</u>
CHART - Status of Restitution Claims	1.
CHART - Estimated Evaluation of Completed Restitutions	2.
CHART - Completed Restitutions by Freight Carloads	3.
ANALYSIS OF RESTITUTIONS U.S. ZONE AUSTRIA, JULY TO DEC 1947	4. - 7.
(1) Claims Received	
(2) Claims Dropped	
(3) Restitutions Made	
(4) Claims Pending	
TABLE - Status of Restitution Claims	8.
TABLE - Breakdown of Completed Restitutions by Percentages	9.
TABLE - Estimated Evaluation of Completed Restitutions	10.
TABLE - Breakdown of Completed Restitutions by F/Carloads	11.
PROBLEMS OF RESTITUTION	12. - 15.
(1) General	
(2) Force and Duress	
(3) Ordinary Business Transactions	
(4) Securities in Safe-Keeping	
(5) Restitutions Adverse to Austrian Economy	
(6) Other Policy Changes	
SUMMARY OF ACTION BY ALLIED COMMISSION FOR AUSTRIA RE RESTITUTIONS	16.

313201

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REF ID: A6100	NND 195077
By: <i>(Signature)</i>	NARA Date: 12/28/99

RG	<u>407</u>
Entry	<u># 368 B</u>
File	<u>NEWS &amp; NEWS - AUSTRIA</u>
Box	<u><del>1451</del></u>

ANALYSIS OF RESTITUTIONS U.S. ZONE AUSTRIA, JULY TO DECEMBER 1947

1. CLAIMS RECEIVED

In the last two years 2765 claims were received for looted property to be restituted. On 31 December 1946, claims filed totaled 1369; six months later they had increased to 2281 claims and by 31 December 1947, the total number of claims amounted to 2765, an increase of 21% over the past six months period.

The largest number of claims received during the past 6 months was in July, when 128 claims were filed by 13 nations eligible for restitution.

Claims were received from 19 nations, but the majority of the claims have been received by Hungary, Czechoslovakia, France, Yugoslavia, Poland, Italy, and the Netherlands. The largest number, 1146 (41%), were received from Hungary, Czechoslovakia is second with 394 (14%) and France third with 328 (12%) claims filed.

The term "claim" can be very misleading, for whereas one claim may be for only one bicycle, another claim may be for an entire factory, involving hundreds of expensive machine tools.

2. CLAIMS DROPPED

Many claims received from both Allied and Ex-Enemy nations are dropped for various reasons: perhaps the claimed property can not be located in the U.S. Zone of Austria, perhaps the claim is a duplication of another claim; or perhaps the property has become lost, stolen or disposed of in the Summer of 1945 by either the previous Russian occupiers, the U.S. Army, Displaced Persons or Austrian civilians. Again, some Missions resort to copying information and data while in the U.S. Zone on all moveable property in sight and then present claims for it. This is followed up by presentation of very questionable ownership papers; such claims, pertaining primarily to motor vehicles, are of course denied.

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ADDITIONAL NND 195071
By  NARA Date 12/28/98

RG	<u>407</u>
Entry	<u># 368 B</u>
File	<u>MS. A. 1051 - AUSTRIA</u>
Box	<u><del>12</del> 1451</u>

On an average, for every four vehicle claims received, three are declared invalid.

The number of claims dropped has increased from 495 in June 1947 to 878 by 31 Dec 1947, or nearly 78%. The largest number of claims dropped from one country was 270 from Czechoslovakia, which amounts to 69% of the claims filed by this country. On a percentage basis, Italy runs second with 63% of its claims dropped.

Considering the total number of claims dropped to date - 878 and the number of restitutions effected - 518, nearly 63% of all the claims under direct consideration for restitution are being dropped for one reason or another. Under these considerations, 87% of the Italian claims were dropped, 86% from Czechoslovakia and 71% from Hungary.

### 3. RESTITUTIONS MADE

As in the past, restitution deliveries during the six months period covered by this report included large quantities of machine tools, electric machinery and equipment, road machinery, motor vehicles, miscellaneous raw materials, components and finished products, paintings, household goods, furniture, etc.

The number of restitutions completed to date is 518, an increase of 43% over the number of restitutions completed on 30 June 1947. While during the first half of 1947, the number of effected restitutions was 163, only 155 restitution deliveries were completed during the second half, inspite of an increased number of RD&R field representatives available. This decrease in the number of effected restitutions is caused primarily by the fact that in the initial stages of the restitution program, with a huge amount of surplus property available in Austria,

319203