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Authority NND 968103

By TJ NARA Date 8/15/00

RG 131

Entry EF Control

File DeFrosting

Box 307

NEWSPAPERS
DEFROSTING PROBLEM

320375

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2. The issuance by such government of a foreign exchange decree.
3. The resumption of commercial communications between the United States and the liberated area;

and would become operative 120 days after issuance or within any further extended period.

D. The proposed general license would require banking institutions effecting transactions to report monthly the total debits made to accounts under the authority of III A. In addition banking institutions would be required to maintain such records as would permit the furnishing, if requested, of such data as the name of the account debited, the amount and/or a description of the property transferred.

IV. Proposed Gentlemen's Agreement to be Reached with Any Government which Obtains a License of the Type Set Forth in III .

A. Conflicting Custodian Claims

1. Property vested by the United States Alien Property Custodian would not be considered in this agreement.
2. It would be explicitly noted that any conflicting custodian problem would not be finally disposed of in this agreement.
3. Property excluded from the provisions of the proposed general license because it was known or believed to be enemy owned or controlled would remain in status quo pending overall determination of the conflicting custodian problem. Licenses and authorizations to permit transactions required for the protection or management of the property would be issued subject to the approval, when necessary, of the government concerned but without, however, any recognition by this government of any asserted rights of such government.

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A. Owing to lack of information, property may inadvertently be transferred under the general Monroe which would have been excluded from the general Monroe, under the provisions of III B 1, has all the facts been known prior to the date of the transfer. In order to protect the position of the government, the government's agreement should provide that promptly after determination of the existence of such facts the other government concerned would refer available to this government a full report with respect thereto. The agreement should also provide that the government receiving the proposed general Monroe will, upon request, surrender to the control of the Government of the United States any property (or its equivalent) that was transferred contrary to the conditions specified in III B 1.

B. Transfer of United States Holdings

The government of the area concerned would agree to facilitate, to the greatest extent feasible, payments of debts and to pay the residents of the United States.

It would also agree that United States nationals would in all cases be treated on a most favored nation basis.

C. Maintenance of United Assets Following Liberation of Area

Three classes of accounts may be envisaged:

1. Existing official accounts of liberated area governments;
2. Accounts opened by liberated area governments pursuant to the proposed general Monroe discussed under III;
3. Accounts held in the name of residents of liberated areas which are left in status quo.

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While it is not proposed that the accounts of the government concerned and its nationals would be unblocked, it is believed that the accounts described above should be licensed in the broadest manner possible. A general license is proposed with respect to the accounts described above similar to the Spanish general license but expanding its scope to permit any dealings or transactions not then prohibited by General Ruling No. 11. Property of the type referred to in III B 1, 2, and 3 would be excluded from the scope of such a license.

If the government of the area concerned did not wish to certify on behalf of its nationals, ordinary licensing policy would apply.

The date of the issuance of a general license of this type would depend on a number of factors. Regardless as to circumstances, issuance would not appear desirable until at least the events described in III C 1, and 2 had occurred and possibly not then if at that date the United States retained trade controls.

V. General Comments on Miscellaneous Matters

A. Disclosure of TFR-200 and TFR-201 Data

It is not proposed that information of this type would be made available to any country on an overall basis. However, in order to clear up odds and ends toward the end it might be desirable to make TFR-200 data available, on an ad hoc basis.

B. Persons who have Died or Disappeared

It is proposed that accounts of such persons would be treated in the manner accorded such accounts under normal conditions. Consequently, no special provisions seem necessary.

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C. Advance Publicity

Consideration should be given to the desirability of discussing the proposed plan with various interested groups such as the Foreign Trade Council and the Luce Committee.

D. Location of Property and Debtors

Consideration should be given to including a provision in the proposed gentlemen's agreement requiring the government of the area concerned to agree to assist persons in the United States who own property in such area, or to whom debts are due from persons in such area to trace, identify and recover their property or to trace their debtors.

E. Exchange Guaranty Fund

Consideration should be given to the desirability of including, to prevent exchange difficulties, a provision in the proposed gentlemen's agreement requiring the government of the area concerned to agree to maintain in the United States, in United States Government securities or dollars, an amount equivalent to debts maturing within the following year owed United States creditors plus the dollar equivalent of the bank balances, in the currency of the area concerned, held by residents of the United States. The amount so maintained would constitute a guaranty of payment only to the extent that the foreign debtor was solvent.

D. H. Blain
W. H. Day
E. Golding
J. C. Jones
J. Sachs

cc: Schmidt, Alb, Bennett, Blain, H. Davis, Day, Fisher, Golding,
J.C. Jones, Moskowitz, O'Flaherty, Richards, Sachs, R. Stewart

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NETHERLANDS: GENERAL FILE
VOLUME V: Oct. 1949 -

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By <u>TJ</u> NAPA Date <u>8/3/50</u>

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1-19-51

MEMORANDUM OF UNDERSTANDING

BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
 AND THE GOVERNMENT OF THE NETHERLANDS
 REGARDING CLAIMS BY THE GOVERNMENT OF THE NETHERLANDS
 TO LOOTED SECURITIES

WHEREAS, the Government of the United States of America and the Government of the Netherlands declared their intent by the Inter-Allied Declaration Regarding Forced Transfers of Property in Enemy-Controlled Territory of January 5, 1943, and Resolution No. VI of the United Nations Monetary and Financial Conference held at Bretton Woods, New Hampshire, July 1-22, 1944, to frustrate the attempts of the enemy and persons dealing with the enemy to profit from wartime loot; and

WHEREAS, the Government of the Netherlands has represented that substantial quantities of securities were looted by the Government of Germany from the Netherlands during World War II and has furnished to the Government of the United States serial numbers and other identifying data with respect to such securities; and

WHEREAS, the Government of the United States, in order to implement the objectives of the aforementioned Declaration and Resolution, and in order to assist the Government of the Netherlands to assert its rights with respect to such securities, issued General Ruling No. 5, as amended, of the regulations of the United States Department of Justice, Office of Alien Property, to which ruling was appended a list of such securities and by which ruling such of the securities so listed as were brought into the United States were required to be deposited with the Federal Reserve Bank of New York; and

WHEREAS, it appears that a considerable amount of such securities was obtained at a discount by persons under circumstances which should have indicated that infirmities of title existed; and

WHEREAS, the major portion of the securities contained in the list appended to said General Ruling No. 5, as amended, is still undeposited and it is apparent to the Government of the United States and the Government of the Netherlands that the program with respect to such securities will be indefinitely prolonged unless the hereinafter described action contemplated by the Government of the United States is undertaken; and

WHEREAS, by requiring holders of such securities to deposit them and to establish the circumstances under which they were acquired, a determination of the rights thereto can be made, thus affording a means of accomplishing the objectives of the aforesaid Declaration and Resolution, and also of protecting present holders who had purchased innocently; and

WHEREAS, the Government of the United States of America contemplates undertaking the following program of action:

A. A new General Ruling in the form shown in Annex A to this Memorandum of Understanding will be issued by the United States Department of Justice, Office of Alien Property, with a list appended thereto containing substantially all those securities of United States issue which are on the list of securities appended to General Ruling No. 5 in its present form. The securities which will appear on the list appended to the new Ruling are referred to in this Memorandum of Understanding as "domestic scheduled securities."

B. (1) The aforementioned General Ruling No. 5 will be amended to read as shown in Annex B to this Memorandum of Understanding and the list of securities appended thereto will be revised so as to delete therefrom all securities of United States issue. Securities which will appear on the list as so revised are referred to in this Memorandum of Understanding as "foreign scheduled securities."

(2) Said General Ruling No. 5 will be revoked six months after the date hereof, or said Ruling may be continued or revised if it appears to the Government of the United States to be desirable to do so in light of actions which may be taken by the governments of the countries of issue with respect to foreign scheduled securities. The Government of the United States will discuss with the Government of the Netherlands any such proposed action prior to the execution thereof.

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C. A Press Release will be issued announcing the promulgation of the aforementioned amended General Ruling No. 5 and the new General Ruling, and declaring, among other things, certain consequences which will attend the failure to deposit domestic scheduled securities as required.

D. Action will be taken to vest the rights of holders of certain or all of the domestic scheduled securities, including interest unpaid at date of vesting, which have not been deposited with the Federal Reserve Bank of New York by a specified date, approximately six months from the date of the issuance of the aforementioned new General Ruling, and the issuers of such securities will be directed to issue new certificates evidencing the rights vested in lieu of those in which the rights of holders thereof have been vested. Such of the new certificates as the Government of the United States may determine under the procedures set forth in the Trading with the Enemy Act, as amended, to be the property of the Government of the Netherlands or its nationals will be turned over to such owner or owners.

And WHEREAS, the Government of the Netherlands recognizes that such a program, if undertaken, will be primarily to the material benefit of itself and its nationals; that fairness to present holders requires wide publicity with respect to the program; that the administration of such program and the attendant publicity required will entail considerable expense; and that circumstances may develop which may make it inappropriate for the United States to continue the program in part or in whole or without change;

NOW, THEREFORE, the Government of the United States of America and the Government of the Netherlands agree as follows:

(1) At the earliest practicable date the Government of the Netherlands will publicize at its own expense the amended General Ruling No. 5 and the new General Ruling in United States and foreign newspapers which shall be determined in consultation with the Government of the United States.

(2) The Government of the Netherlands will turn over to the Office of Alien Property of the United States Department of Justice at the time of the execution of this Memorandum of Understanding the sum of twenty-five thousand dollars (\$25,000) as a fund out of which the United States may reimburse itself for all expenses which are reasonably allocable to this program incurred after the execution of this Memorandum of Understanding. Such expenses are understood to include and are not limited to salaries of personnel engaged in administering the program and costs of litigation and administrative hearings, if any, incurred in connection with this program. In addition, from time to time upon request of the Government of the United States, the Government of the Netherlands will pay into the aforementioned fund such additional sums as will be required to restore the amount in the fund to twenty-five thousand dollars (\$25,000). Any balance in said fund remaining after the termination of the program shall be returned to the Government of the Netherlands. The Government of the Netherlands will hold the Government of the United States, its agencies and personnel harmless from all liabilities incurred in connection with the program insofar as it relates to securities placed upon the lists appended to the aforementioned General Rulings at the request of the Government of the Netherlands.

(3) The Government of the Netherlands will, upon the request of the Government of the United States, intervene in any suit against the Government of the United States, its agencies or personnel, with respect to title to any domestic or foreign scheduled security claimed by the Government of the Netherlands for itself or its nationals or with respect to any certificate in lieu thereof turned over to the Government of the Netherlands by the United States Department of Justice, Office of Alien Property, and defend its claims and rights thereto.

(4) Said Office of Alien Property may license any and all transactions by innocent persons with respect to coupons appertaining to domestic and foreign scheduled securities.

(5) In every instance in which there is issued, in lieu of a domestic scheduled security, a certificate with interest coupons attached which are duplicates of the interest coupons originally issued and such certificate and duplicate interest coupons are turned over to the Government of the Netherlands by said Office of Alien Property, the Government of the Netherlands will either reimburse such issuer for all payments which, in spite of appropriate measures taken to prevent such payments, are made by the issuer or its paying agents on the original interest coupons for which the duplicate coupons are issued or will surrender such duplicate coupons to the issuer for cancellation. The Government of the Netherlands will give

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assurance to each issuer of a certificate in lieu of a domestic scheduled security which is turned over to it that it will comply with the requirement provided in this paragraph.

(6) Said Office of Alien Property may license any and all transactions with respect to those domestic and foreign scheduled securities which it considers to be held by innocent persons. Said Office of Alien Property may delete securities it considers to be so held from the schedule appended to said General Ruling No. 5, and amended, or appended to the aforementioned new Ruling and may instruct the Federal Reserve Bank of New York, if held by that Bank, to return such securities to the persons depositing them.

(7) The Government of the United States shall at any time have the right to delete any securities from the lists of domestic and foreign scheduled securities, to determine whether to proceed with the program as contemplated, amend, or abandon it. The Government of the United States also reserves the right to revise or revoke at any time the aforesaid General Rulings.

(8) The Government of the Netherlands will use its best efforts to settle its claims with respect to all deposited domestic and foreign scheduled securities as speedily as possible and understands that the United States may exercise the right reserved to it by paragraph (7) above to delete from the list of domestic scheduled securities and instruct the Federal Reserve Bank of New York to return such domestic securities as may have been on deposit for the period of eighteen months after the date of the issuance of the aforementioned new General Ruling and with respect to which the Government of the Netherlands has not commenced litigation.

(9) The Government of the United States will discuss with the Government of the Netherlands any proposed action pursuant to paragraphs (4), (6) and (7) above prior to the execution thereof.

(10) The Government of the Netherlands will furnish to the Government of the United States upon request all information in its possession with respect to any domestic or foreign scheduled security.

(11) The question of the ultimate disposition of domestic scheduled securities which fall in the category of "heirless assets" shall be subject to agreements arrived at between the Government of the Netherlands and the Government of the United States as to other property in the category of "heirless assets."

(12) This Memorandum of Understanding shall enter into force on the day it is signed.

DONE at Washington, in duplicate, this 19th day of January, 1951.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

DEAN ACHESON

FOR THE GOVERNMENT OF THE NETHERLANDS:

J. H. van ROIJEN

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Authority	<u>NND 968103</u>
By	<u>TJ</u> NARA Date <u>8/3/50</u>

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Copy:

NETHERLANDS EMBASSY
 Office of the Financial Counselor

25 Broadway, New York 4, N. Y.
 Bowling Green 9-2226

S-5082

July 9, 1951

126190
 N.A.R.

Honorable Harold I. Baynton,
 Assistant Attorney General,
 Director, Office of Alien Property
 Department of Justice,
 Washington, D. C.

Dear Mr. Baynton:

Reference is made to the Memorandum of Understanding between the Government of the Netherlands and the Government of the United States dated January 19, 1951 with respect to the program for the recovery of looted securities.

It is my understanding, as the duly authorized representative of the Government of the Netherlands in this regard, that upon presentation to your office of data satisfactory to you establishing the interest of the Government of the Netherlands in securities appearing on the Scheduled Lists annexed to General Rulings Nos. 5 and 5B, you will direct the Federal Reserve Bank of New York to turn over as may be designated by the Government of the Netherlands.

This understanding above referred to has particular reference at the present time to securities appearing on the Scheduled Lists as to which settlements have been or will have been reached by the Government of the Netherlands with other claimants.

Pursuant to the provisions of paragraph (2) of the aforesaid Memorandum of Understanding, the Government of the Netherlands will hold the Government of the United States, its agencies and personnel harmless from all liabilities incurred in connection with turning over said securities to the Government of the Netherlands.

Very truly yours,

For the Charge d'Affaires a.i.

S/ A. F. M. van der Ven
 T/ A. F. M. van der Ven

*Original letter in
 Vault with Memorandum
 of Understanding (per Hilken)*
 VDV:rw

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Authority <u>WFO 968103</u>
By <u>TJ</u> NARA Date <u>8/3/5/00</u>

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Copy:

Harold I. Baynton, Assistant Attorney General
 Director, Office of Alien Property
 Henry G. Hilken, Chief
 Intercustodial & Property Branch
 Vesting of Domestic scheduled securities
 reported by the Netherlands Government

September 28, 1951

HGH:MW:PGPmw

Forwarded herewith for your signature are three vesting orders vesting certain of the securities included in the list of domestic scheduled securities issued in connection with General Ruling No. 5B. These vesting orders involve only securities reported by the Netherlands Government for inclusion in the list and represent an essential step in the looted securities program announced last January and embodied in the Memorandum of Understanding between our Government and the Netherlands Government dated January 19, 1951.

One of the three vesting orders is concerned with securities in which, according to information furnished by the Dutch, there exists a German interest. Such securities, valued at approximately \$75,000, are vested as property of designated enemy nationals. In the other two vesting orders the securities, valued at approximately \$3,000,000.00, are vested as property of nationals of the Netherlands. We anticipate that the Dutch Government will file claims for the return of these securities.

There is also forwarded herewith for your approval a press release for issuance at the time of publication of the vesting orders.

(Signed) Henry G. Hilken

H. G. H.

Attachments

Copy in Scheduled Securities file

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For Immediate Release:
THURSDAY, OCTOBER 4, 1951

DEPARTMENT OF JUSTICE

Attorney General J. Howard McGrath announced today that in accordance with the program made public on January 19, 1951 the Department of Justice has vested approximately \$3,000,000 of securities of United States issue reported to have been looted by the Germans during the occupation of the Netherlands. These securities are included in the list of "domestic scheduled securities" appended to General Ruling No. 5B and have not been deposited with the Federal Reserve Bank of New York in accordance with the provisions of that Ruling. As a result of this action, the United States Government has taken title to the vested securities and the rights of the holders of such securities have been nullified.

Harold I. Baynton, Assistant Attorney General, Director, Office of Alien Property, Department of Justice, stated that the program made public on January 19, 1951 was designed to enable the completion of this Government's efforts to assist in the recovery of securities looted by the Germans during the war. The policy of restoring enemy looted securities was expressed in the Inter-Allied Declaration Regarding Forced Transfers in Enemy-Controlled Territory, of January 5, 1943, and in Resolution No. VI of the United Nations Monetary and Financial Conference held at Bretton Woods July 1 to 22, 1944, in both of which the United States joined.

Mr. Baynton pointed out that the vesting action, which applies to the securities looted from The Netherlands, covers most of the securities on the list of domestic scheduled securities and that the remaining domestic

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scheduled securities which have not been deposited with the Federal Reserve Bank of New York and which were reported by other foreign nationals as having been looted by the Germans will soon be vested.

According to Mr. Baynton, it is expected that The Netherlands Government, acting on behalf of its nationals who were victims of the German looting, will file claims for the return of the vested securities in accordance with the provisions of Section 32 of the Trading with the Enemy Act, as amended. Any other person who claims to have any interest in the vested securities may also file a claim for the return of his interest. Under Section 33 of the Trading with the Enemy Act, as amended, Mr. Baynton said, claims for such return must be filed within two years of the vesting. Forms for filing claims for return may be obtained by writing the Department of Justice, Office of Alien Property, Washington 25, D. C.

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United States Treaties and Other International Agreements



U.S. Treaties, etc.

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TREASURY DEPARTMENT

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MULTILATERAL

AUSTRIAN STATE TREATY

Signed at Vienna May 15, 1955;

*Ratification advised by the Senate of the United States of America
June 17, 1955;*

Ratified by the President of the United States of America June 24, 1955;

*Ratification of the United States of America deposited with the Union
of Soviet Socialist Republics at Moscow July 9, 1955;*

*Proclaimed by the President of the United States of America August 5,
1955;*

Entered into force July 27, 1955.

TIAS 3298
May 15, 1955

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS the State Treaty for the Re-Establishment of an Independent and Democratic Austria was signed at Vienna on May 15, 1955 by the respective Plenipotentiaries of the United States of America, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, France, and Austria;

WHEREAS the text of the said Treaty in the Russian, English, French, and German languages, as certified by the Government of the Union of Soviet Socialist Republics, is word for word as follows:

STATE TREATY
FOR THE RE-ESTABLISHMENT
OF AN INDEPENDENT
AND DEMOCRATIC AUSTRIA

PREAMBLE

The Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, and France, hereinafter referred to as "the Allied and Associated Powers", of the one part and Austria, of the other part;

Allied and Associated Powers.

Whereas on 13th March, 1938, Hitlerite Germany annexed Austria by force and incorporated its territory in the German Reich;

Whereas in the Moscow Declaration published on 1st November, 1943, the Governments of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America declared that they regarded the annexation of Austria by Germany on 13th March, 1938, as null and void and affirmed their wish to see Austria re-established as a free and independent State, and the French Committee of National Liberation made a similar declaration on 16th November, 1943;

Whereas as a result of the Allied victory Austria was liberated from the domination of Hitlerite Germany;

Whereas the Allied and Associated Powers, and Austria, taking into account the importance of the efforts which the Austrian people themselves have made and will have to continue to make for the restoration and democratic reconstruction of their country, desire to conclude a treaty re-establishing Austria as a free, independent and democratic State, thus contributing to the restoration of peace in Europe;

Whereas the Allied and Associated Powers desire by means of the present Treaty to settle in accordance with the principles of justice all questions which are still outstanding in connection with the events referred to above, including the annexation of Austria by Hitlerite Germany and participation of Austria in the war as an integral part of Germany; and

Whereas the Allied and Associated Powers and Austria are desirous for these purposes of concluding the present Treaty to serve as the basis of friendly relations between them, thereby enabling the Allied and Associated Powers to support Austria's application for admission to the United Nations Organization;

Have therefore appointed the undersigned Plenipotentiaries who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

TIAS 3298

320393

PART I**POLITICAL AND TERRITORIAL CLAUSES****ARTICLE 1****Re-Establishment of Austria as a Free and Independent State**

The Allied and Associated Powers recognize that Austria is re-established as a sovereign, independent and democratic State.

ARTICLE 2**Maintenance of Austria's Independence**

The Allied and Associated Powers declare that they will respect the independence and territorial integrity of Austria as established under the present Treaty.

ARTICLE 3**Recognition by Germany of Austrian Independence**

The Allied and Associated Powers will incorporate in the German Peace Treaty provisions for securing from Germany the recognition of Austria's sovereignty and independence and the renunciation by Germany of all territorial and political claims in respect of Austria and Austrian territory.

ARTICLE 4**Prohibition of Anschluss**

1. The Allied and Associated Powers declare that political or economic union between Austria and Germany is prohibited. Austria fully recognizes its responsibilities in this matter and shall not enter into political or economic union with Germany in any form whatsoever.

2. In order to prevent such union Austria shall not conclude any agreement with Germany, nor do any act, nor take any measures likely, directly or indirectly, to promote political or economic union with Germany, or to impair its territorial integrity or political or economic independence. Austria further undertakes to prevent within its territory any act likely, directly or indirectly, to promote such union and shall prevent the existence, resurgence and activities of any organizations having as their aim political or economic union with Germany, and pan-German propaganda in favor of union with Germany.

ARTICLE 5

Frontiers of Austria

The frontiers of Austria shall be those existing on 1st January, 1938.

ARTICLE 6

Human Rights

1. Austria shall take all measures necessary to secure to all persons under Austrian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

2. Austria further undertakes that the laws in force in Austria shall not, either in their content or in their application, discriminate or entail any discrimination between persons of Austrian nationality on the ground of their race, sex, language or religion, whether in reference to their persons, property, business, professional or financial interests, status, political or civil rights or any other matter.

ARTICLE 7

Rights of the Slovene and Croat Minorities

1. Austrian nationals of the Slovene and Croat minorities in Carinthia, Burgenland and Styria shall enjoy the same rights on equal terms as all other Austrian nationals, including the right to their own organizations, meetings and press in their own language.

2. They are entitled to elementary instruction in the Slovene or Croat language and to a proportional number of their own secondary schools; in this connection school curricula shall be reviewed and a section of the Inspectorate of Education shall be established for Slovene and Croat schools.

3. In the administrative and judicial districts of Carinthia, Burgenland and Styria, where there are Slovene, Croat or mixed populations, the Slovene or Croat language shall be accepted as an official language in addition to German. In such districts topographical terminology and inscriptions shall be in the Slovene or Croat language as well as in German.

4. Austrian nationals of the Slovene and Croat minorities in Carinthia, Burgenland and Styria shall participate in the cultural, administrative and judicial systems in these territories on equal terms with other Austrian nationals.

5. The activity of organizations whose aim is to deprive the Croat or Slovene population of their minority character or rights shall be prohibited.

ARTICLE 8

Democratic Institutions

Austria shall have a democratic government based on elections by secret ballot and shall guarantee to all citizens free, equal and universal suffrage as well as the right to be elected to public office without discrimination as to race, sex, language, religion or political opinion.

ARTICLE 9

Dissolution of Nazi Organizations

1. Austria shall complete the measures, already begun by the enactment of appropriate legislation approved by the Allied Commission for Austria, to destroy the National Socialist Party and its affiliated and supervised organizations, including political, military and para-military organizations, on Austrian territory. Austria shall also continue the efforts to eliminate from Austrian political, economic and cultural life all traces of Nazism, to ensure that the above-mentioned organizations are not revived in any form, and to prevent all Nazi and militarist activity and propaganda in Austria.

2. Austria undertakes to dissolve all Fascist-type organizations existing on its territory, political, military and para-military, and likewise any other organizations carrying on activities hostile to any United Nation or which intend to deprive the people of their democratic rights.

3. Austria undertakes not to permit, under threat of penal punishment which shall be immediately determined in accordance with procedures established by Austrian Law, the existence and the activity on Austrian territory of the above-mentioned organizations.

ARTICLE 10

Special Clauses on Legislation

1. Austria undertakes to maintain and continue to implement the principles contained in the laws and legal measures adopted by the Austrian Government and Parliament since 1st May, 1945, and approved by the Allied Commission for Austria, aimed at liquidation of the remnants of the Nazi regime and at the re-establishment of the democratic system, and to complete the legislative and administrative measures already taken or begun since 1st May, 1945, to codify and give effect to the principles set out

in Articles 6, 8 and 9 of the present Treaty, and insofar as she has not yet done so to repeal or amend all legislative and administrative measures adopted between 5th March, 1933, and 30th April, 1945, which conflict with the principles set forth in Articles 6, 8 and 9.

2. Austria further undertakes to maintain the law of 3rd April, 1919, concerning the House of Hapsburg-Lorraine.

ARTICLE 11

Recognition of Peace Treaties

Austria undertakes to recognize the full force of the Treaties of Peace with Italy, Roumania, Bulgaria, Hungary and Finland¹ and other agreements or arrangements which have been or will be reached by the Allied and Associated Powers in respect of Germany and Japan for the restoration of peace.

TIAS 1648, 1649,
1650 and 1651.
61 Stat., pt. 2,
pp. 1245, 1757,
1915, 2065.

PART II

MILITARY AND AIR CLAUSES

ARTICLE 12

Prohibition of Service in the Austrian Armed Forces of Former Members of Nazi Organizations, and Certain Other Categories of Persons

The following shall in no case be permitted to serve in the Austrian Armed Forces:

1. Persons not of Austrian nationality;
2. Austrian nationals who had been German nationals at any time before 13th March, 1938;
3. Austrian nationals who served in the rank of Colonel or in any higher rank in the German Armed Forces during the period from 13th March, 1938, to 8th May, 1945;
4. With the exception of any persons who shall have been exonerated by the appropriate body in accordance with Austrian law, Austrian nationals falling within any of the following categories:
 - (a) Persons who at any time belonged to the National Socialist Party ("N.S.D.A.P.") or the "S.S.", "S.A.", or "S.D." organizations; the Secret State Police ("Gestapo"); or the National Socialist Soldiers' Association ("N.S. Soldatenring"); or the National Socialist Officers' Association ("N.S. Offiziersvereinigung").
 - (b) Officers in the National Socialist Fliers' Corps ("N.S.F.K.") or the National Socialist Motor Corps ("N.S.K.K.") of rank not lower than "Untersturmfuehrer" or its equivalent;

¹ The United States is not a party to the treaty of peace with Finland.

(c) Functionaries in any supervised or affiliated organizations of the N.S.D.A.P. of rank not lower than that equivalent to "Ortsgruppenleiter";

(d) Authors of printed works or scenarios placed by the competent commissions set up by the Government of Austria in the category of prohibited works because of their Nazi character;

(e) Leaders of industrial, commercial and financial undertakings who according to the official and authenticated reports of existing industrial, commercial and financial associations, trade unions and party organizations are found by the competent commission to have cooperated actively in the achievement of the aims of the N.S.D.A.P. or of any of its affiliated organizations, supported the principles of National Socialism or financed or spread propaganda for National Socialist organizations or their activities, and by any of the foregoing to have damaged the interests of an independent and democratic Austria.

ARTICLE 13

Prohibition of Special Weapons

1. Austria shall not possess, construct or experiment with—a) Any atomic weapon, b) any other major weapon adaptable now or in the future to mass destruction and defined as such by the appropriate organ of the United Nations, c) any self-propelled or guided missile or torpedoes, or apparatus connected with their discharge or control, d) sea mines, e) torpedoes capable of being manned, f) submarines or other submersible craft, g) motor torpedo boats, h) specialized types of assault craft, i) guns with a range of more than 30 kilometers, j) asphyxiating, vesicant or poisonous materials or biological substances in quantities greater than, or of types other than, are required for legitimate civil purposes, or any apparatus designed to produce, project or spread such materials or substances for war purposes.

2. The Allied and Associated Powers reserve the right to add to this Article prohibitions of any weapons which may be evolved as a result of scientific development.

ARTICLE 14

Disposal of War Materiel of Allied and German Origin

1. All war materiel of Allied origin in Austria shall be placed at the disposal of the Allied or Associated Power concerned according to the instructions given by that Power.

Austria shall renounce all rights to the above-mentioned war materiel.

2. Within one year from the coming into force of the present Treaty Austria shall render unusable for any military purpose or destroy:

all excess war materiel of German or other non-Allied origin;

in so far as they relate to modern war materiel, all German and Japanese drawings, including existing blueprints, prototypes, experimental models and plans;

all war materiel prohibited by Article 13 of the present Treaty; all specialized installations, including research and production equipment, prohibited by Article 13 which are not convertible for authorized research, development or construction.

3. Within six months from the coming into force of the present Treaty Austria shall provide the Governments of the Soviet Union, of the United Kingdom, of the United States of America, and of France with a list of the war materiel and installations enumerated in paragraph 2.

4. Austria shall not manufacture any war materiel of German design.

Austria shall not acquire or possess, either publicly or privately, or by any other means, any war materiel of German manufacture, origin or design except that the Austrian Government may utilize, for the creation of the Austrian armed forces, restricted quantities of war materiel of German manufacture, origin or design remaining in Austria after the Second World War.

5. A definition and list of war materiel for the purposes of the present Treaty are contained in Annex I.

Post, p. 2523.

ARTICLE 15

Prevention of German Rearmament

1. Austria shall co-operate fully with the Allied and Associated Powers in order to ensure that Germany is unable to take steps outside German territory towards rearmament.

2. Austria shall not employ or train in military or civil aviation or in the experimentation, design, production or maintenance of war materiel:

persons who are, or were at any time previous to 13th March, 1938, nationals of Germany;

or Austrian nationals precluded from serving in the Armed Forces under Article 12;

or persons who are not Austrian nationals.

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ARTICLE 16

**Prohibition Relating to Civil Aircraft of German
and Japanese Design**

Austria shall not acquire or manufacture civil aircraft which are of German or Japanese design or which embody major assemblies of German or Japanese manufacture or design.

ARTICLE 17

Duration of Limitations

Each of the military and air clauses of the present Treaty shall remain in force until modified in whole or in part by agreement between the Allied and Associated Powers and Austria or, after Austria becomes a member of the United Nations, by agreement between the Security Council and Austria.

ARTICLE 18

Prisoners of War

1. Austrians who are now prisoners of war shall be repatriated as soon as possible, in accordance with arrangements to be agreed upon by the individual Powers detaining them and Austria.

2. All costs, including maintenance costs, incurred in moving Austrians who are now prisoners of war from their respective assembly points, as chosen by the Government of the Allied or Associated Power concerned, to the point of their entry into Austrian territory, shall be borne by the Government of Austria.

ARTICLE 19

War Graves and Memorials

1. Austria undertakes to respect, preserve and maintain the graves on Austrian territory of the soldiers, prisoners of war and nationals forcibly brought to Austria of the Allied Powers as well as of the other United Nations which were at war with Germany, the memorials and emblems on these graves, and the memorials to the military glory of the armies which fought on Austrian territory against Hitlerite Germany.

2. The Government of Austria shall recognize any commission, delegation or other organization authorized by the State concerned to identify,

list, maintain or regulate the graves and edifices referred to in paragraph 1; shall facilitate the work of such organizations; and shall conclude in respect of the above-mentioned graves and edifices such agreements as may prove necessary with the State concerned or with any commission or delegation or other organization authorized by it. It likewise agrees to render, in conformity with reasonable sanitary requirements, every facility for the disinterment and despatch to their own country of the remains buried in the said graves, whether at the request of the official organizations of the State concerned or at the request of the relatives of the persons interred.

PART III

ARTICLE 20

Withdrawal of Allied Forces

1. The Agreement on the Machinery of Control in Austria of 28th June, 1946 shall terminate on the coming into force of the present Treaty.

TIAS 2097.
62 Stat., pt. 3,
p. 4038.

2. On the coming into force of the present Treaty, the Inter-Allied Command established under paragraph 4 of the Agreement on Zones of Occupation in Austria and the Administration of the City of Vienna of 9th July, 1945, shall cease to exercise any functions with respect to the administration of the City of Vienna. The Agreement on Zones of Occupation of Austria shall terminate upon completion of the withdrawal from Austria of the forces of the Allied and Associated Powers in accordance with paragraph 3 of the present Article.

TIAS 1600.
61 Stat., pt. 3,
p. 2680.

3. The forces of the Allied and Associated Powers and members of the Allied Commission for Austria shall be withdrawn from Austria within ninety days from the coming into force of the present Treaty, and in so far as possible not later than 31st December, 1955.

4. The Government of Austria shall accord to the forces of the Allied and Associated Powers and the members of the Allied Commission for Austria pending their withdrawal from Austria the same rights, immunities and facilities as they enjoyed immediately before the coming into force of the present Treaty.

5. The Allied and Associated Powers undertake to return to the Government of Austria after the coming into force of the present Treaty and within the period specified in paragraph 3 of this Article:

(a) All currency which was made available free of cost to the Allied and Associated Powers for the purpose of the occupation and

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which remains unexpended at the time of completion of withdrawal of the Allied forces;

(b) All Austrian property requisitioned by Allied forces or the Allied Commission, and which is still in their possession. The obligations under this sub-paragraph shall be applied without prejudice to the provisions of Article 22 of the present Treaty.

PART IV

CLAIMS ARISING OUT OF THE WAR

ARTICLE 21

Reparation

No reparation shall be exacted from Austria arising out of the existence of a state of war in Europe after 1st September, 1939.

ARTICLE 22

German Assets in Austria.

The Soviet Union, the United Kingdom, the United States of America and France have the right to dispose of all German assets in Austria in accordance with the Protocol of the Berlin Conference of 2nd August, 1945.

1. The Soviet Union shall receive for a period of validity of thirty years concessions to oil fields equivalent to 60% of the extraction of oil in Austria for 1947, as well as property rights to all buildings, constructions, equipment, and other property belonging to these oil fields, in accordance with list No. 1 and map No. 1¹ annexed to the Treaty.

Post, p. 2421.

2. The Soviet Union shall receive concessions to 60% of all exploration areas located in Eastern Austria that are German assets to which the Soviet Union is entitled in conformity with the Potsdam Agreement and which are in its possession at the present time, in accordance with list No. 2 and map No. 2¹ annexed to the Treaty.

Post, p. 2422.

The Soviet Union shall have the right to carry out explorations on the exploration areas mentioned in the present paragraph for 8 years and to subsequent extraction of oil for a period of 25 years beginning from the moment of the discovery of oil.

3. The Soviet Union shall receive oil refineries having a total annual production capacity of 420,000 tons of crude oil, in accordance with list No. 3.

Post, p. 2424.

¹ The copies of the maps as received with the certified copy of the treaty, from the Government of the Union of Soviet Socialist Republics, are deposited with the treaty in the archives of the Department of State where they are available for reference.

4. The Soviet Union shall receive those undertakings concerned in the distribution of oil products which are at its disposal, in accordance with list No. 4.

Post, p. 2425.

5. The Soviet Union shall receive the assets of the Danube Shipping Company (D.D.S.G.), located in Hungary, Roumania and Bulgaria; and, likewise, in accordance with list No. 5, 100% of the assets of the Danube Shipping Company located in Eastern Austria.

Post, p. 2426.

6. The Soviet Union shall transfer to Austria property, rights and interests held or claimed as German assets, together with existing equipment, and shall also transfer war industrial enterprises, together with existing equipment, houses and similar immovable property, including plots of land, located in Austria and held or claimed as war booty with the exception of the assets mentioned in paragraphs 1, 2, 3, 4 and 5 of the present Article. Austria for its part undertakes to pay the Soviet Union 150,000,000 United States dollars in freely convertible currency within a period of 6 years.

The said sum will be paid by Austria to the Soviet Union in equal three-monthly installments of 6,250,000 United States dollars in freely convertible currency. The first payment will be made on the first day of the second month following the month of the entry into force of the present Treaty. Subsequent three-monthly payments will be made on the first day of the appropriate month. The last three-monthly payment will be made on the last day of the six-year period after the entry into force of this Treaty.

The basis for payments provided for in this Article will be the United States dollar at its gold parity on 1st September, 1949, that is, 35 dollars for 1 ounce of gold.

As security for the punctual payment of the above-mentioned sums due to the Soviet Union the Austrian National Bank shall issue to the State Bank of the U.S.S.R. within two weeks of the coming into force of the present Treaty promissory notes to the total sum of 150,000,000 United States dollars to become payable on the dates provided for in the present Article.

The promissory notes to be issued by Austria will be non-interest-bearing. The State Bank of the U.S.S.R. does not intend to discount these notes provided that the Austrian Government and the Austrian National Bank carry out their obligations punctually and exactly.

7. Legal Position of Assets:

(a) All former German assets which have become the property of the Soviet Union in accordance with paragraphs 1, 2, 3, 4 and 5 of the present Article shall, as the general rule, remain under Austrian jurisdiction and, in conformity with this, Austrian legislation shall apply to them.

(b) Where duties and charges, commercial and industrial rights and the levying of taxation are concerned, these assets shall be subject to conditions not less favorable than those which apply or will apply to undertakings belonging to Austria and its nationals and also to other states and persons who are accorded most-favored-nation treatment.

(c) All former German assets which have become the property of the Soviet Union shall not be subject to expropriation without the consent of the Soviet Union.

(d) Austria will not raise any difficulties in regard to the export of profits or other income (i.e. rents) in the form of output or of any freely convertible currency received.

(e) The rights, properties and interests transferred to the Soviet Union as well as the rights, properties and interests which the Soviet Union relinquishes to Austria shall be transferred without any charges or claims on the part of the Soviet Union or on the part of Austria. Under the words "charges and claims" is understood not only creditor claims arising out of the exercise of Allied control of these properties, rights and interests after 8th May, 1945, but also all other claims including claims in respect of taxes. The reciprocal waiver by the Soviet Union and Austria of charges and claims applies to all such charges and claims as exist on the date when Austria formalizes the rights of the Soviet Union to the former German assets transferred to it and on the date of the actual transfer to Austria of the assets relinquished by the Soviet Union.

8. The transfer to Austria of all properties, rights and interests provided for in paragraph 6 of the present Article, and also the formalizing by Austria of the rights of the Soviet Union to the former German assets to be transferred shall be effected within two months from the date of the entry into force of the present Treaty.

9. The Soviet Union shall likewise own the rights, property and interests in respect of all assets, wherever they may be situated in Eastern Austria, created by Soviet organizations or acquired by them by purchase after 8th May, 1945 for the operation of the properties enumerated in Lists 1, 2, 3, 4 and 5 below.

The provisions as set forth in sub-paragraphs a, b, c and d of paragraph 7 of the present Article shall correspondingly apply to these assets.

10. Disputes which may arise in connection with the application of the provisions of the present Article shall be settled by means of bilateral negotiations between the interested parties.

In the event of failure to reach agreement by bilateral negotiations between the Governments of the Soviet Union and of Austria within three months, disputes shall be referred for settlement to an Arbitration Commission consisting of one representative of the Soviet Union and one representative of Austria with the addition of a third member, a national of a third country, selected by mutual agreement between the two Governments.

11. The United Kingdom, the United States of America and France hereby transfer to Austria all property, rights and interests held or claimed by or on behalf of any of them in Austria as former German assets or war booty.

Property, rights and interests transferred to Austria under this paragraph shall pass free from any charges or claims on the part of the United Kingdom, the United States of America or France arising out of the exercise of their control of these properties, rights or interests after 8th May, 1945.

12. After fulfillment by Austria of all obligations stipulated in the provisions of the present Article or derived from such provisions, the claims of the Allied and Associated Powers with respect to former German assets in Austria, based on the Decision of the Berlin Conference of 2nd August, 1945, shall be considered as fully satisfied.

13. Austria undertakes that, except in the case of educational, cultural, charitable and religious property none of the properties, rights and interests transferred to it as former German assets shall be returned to ownership of German juridical persons or where the value of the property, rights and interests exceeds 260,000 shillings, to the ownership of German natural persons. Austria further undertakes not to pass to foreign ownership those rights and properties indicated in Lists 1 and 2 of this Article which will be transferred to Austria by the Soviet Union in accordance with the Austro-Soviet Memorandum of April 15, 1955.

14. The provisions of this Article shall be subject to the terms of Annex II of this Treaty.

Post, p. 2526.

LIST No. 1

Oil Fields in Eastern Austria on Which Concessions
Shall Be Granted to the Soviet Union

Serial No.	Name of Oil Field	Name of Company
1.	Mühlberg	Itag
2.	St. Ulrich-DEA	D.E.A.
3.	St. Ulrich-Niederdonau	Niederdonau
4.	Gösting-Kreutzfeld-Pionier (50% of Production)	E.P.G.

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NOTE:

A. All properties of the oil fields listed above shall be transferred to the Soviet Union, including all wells, both productive and non-productive, with all their surface and underground equipment, oil collecting networks, installations and equipment for drilling, compressor and pumping stations, mechanical workshops, gasoline installations, steam-generating plants, electric generating plants and sub-stations with transmission networks, pipe lines, water supply systems and water mains, electric networks, steam lines, gas mains, oilfield roads, approach roads, telephone lines, fire fighting equipment, motor vehicle and tractor parks, office and living accommodation serving the fields, and other property connected with the exploitation of the oil fields listed above.

B. The right of ownership and leasehold rights to all the properties of the above-mentioned producing fields shall be transferred to the Soviet Union to the extent that any natural or juridical person who owned these fields, exploited them or participated in their exploitation, had rights in, title to, or interest in the said properties.

In cases where any property was held on lease, the periods of the leases, as provided for in the lease agreements, shall be calculated from the date of the entry into force of the present Treaty, and the lease agreements cannot be terminated without the consent of the Soviet Union.

LIST No. 2

Concessions to Oil Exploration Areas in Eastern
Austria To Be Transferred to the Soviet Union

Serial No.	Name of Concession	Name of Company	Hectarage of the area to be ceded to the U.S.S.R.
1.	Neusiedlersee	Elverat	122,480
2.	Leithagebirge	Kohle Oel Union	52,700
3.	Gross Enzersdorf (including the Aderklaa field)	Niederdonau	175,000
4.	Hauskirchen (including the Alt Lichtenwarth field)	Itag	4,800
5.	St. Ulrich	D.E.A.	740
6.	Schrattenberg	Kohle Oel Union	3,940
7.	Grosskrut	Wintershal	8,000
8.	Mistelbach	Preussag	6,400

Serial No.	Name of Concession	Name of Company	Hectarage of the area to be ceded to the U.S.S.R.
9.	Paasdorf (50% of the area)	E.P.G.	3,650
10.	Steinberg	Steinberg Naphta	100
11.	Hausbrunn	D.E.A.	350
12.	Drasenhofen (area on Austrian territory)	Kohle Oel Union	8,060
13.	Améis	Preussag	7,080
14.	Siebenhirten	Elverat	5,000
15.	Leis	Itag	14,800
16.	Korneuburg	Ritz	30,000
17.	Klosterneuburg (50% of the area)	E.P.G.	7,900
18.	Oberlaa	Preussag	51,400
19.	Enzersdorf	Deutag	25,800
20.	Oedenburger Pforte	Kohle Oel Union	55,410
21.	Tulln	Donau Oel	38,070
22.	Kilb (50% of the area)	E.P.G.	18,220
23.	Pullendorf	Kohle Oel Union	60,700
24.	Nord Steiermark (50% of the area in the Soviet Zone)	E.P.G.	55,650
25.	Mittel Steiermark (area in the Soviet Zone)	Wintershal	9,840
26.	Gösting (50% of the area)	E.P.G.	250
	Total	26 Concessions	766,340 ha.

NOTE: A. All the properties of the above-mentioned oil exploration areas shall be transferred to the Soviet Union.

B. The right of ownership and leasehold rights to all the properties of the above-mentioned oil exploration areas shall be transferred to the Soviet Union to the extent that any natural or juridical person who owned

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these oil exploration areas, exploited them or participated in their exploitation, had rights in, title to, or interest in the said properties.

In cases where any property was held on lease, the periods of the leases, as provided for in the lease agreements, shall be calculated from the date of the entry into force of the present Treaty, and the lease agreements cannot be terminated without the consent of the Soviet Union.

LIST No. 3

Oil Refineries in Eastern Austria the Property Rights to Which Are To Be Transferred to the Soviet Union

Serial No.	Name of the refinery	Annual productive capacity in 1,000 tons of crude oil in 1947
1.	Lobau	240.0
2.	Nová	120.0
3.	Korneuburg	60.0
4.	Okeros (re-refining)	—
5.	Oil Refinery "Moosbierbaum" excluding the equipment belonging to France and subject to restitution.	
Total		420.0

NOTE:

A. The properties of the refineries shall be transferred with all their equipment including technological installations, electric generating stations, steam generating plants, mechanical workshops, oil depot equipment and storage parks, loading ramps and river moorings, pipe lines including the pipe line Lobau-Zistersdorf, roads, approach roads, office and living quarters, fire fighting equipment, etc.

B. The right of ownership and leasehold rights to all the properties of the above-mentioned oil refineries shall be transferred to the Soviet Union to the extent that any natural or juridical person who owned these refineries, exploited them or participated in their exploitation, had rights in, title to, or interest in the said properties.

In cases where any property was held on lease, the periods of the leases, as provided for in the lease agreements, shall be calculated from the date of the entry into force of the present Treaty, and the lease agreements cannot be terminated without the consent of the Soviet Union.

LIST No. 4

Undertakings in Eastern Austria Engaged in the Distribution of Oil Products, the Property Rights to Which Are To Be Transferred to the Soviet Union

Serial No.	Name of the Undertaking
1.	Deutsche Gasolin A.G.—distributing branch in Austria G.m.b.H.
2.	"A.G. der Kohlenwerkstoffverband Gruppe Benzin-Benzol - Verband - Bochum"—branch in Austria including the oil depot belonging to it at Praterspitz.
3.	"Nova" Mineral Oel Vertrieb Gesellschaft m.b.H.
4.	"Donau-Oel G.m.b.H."
5.	"Nitag" with the oil depot at Praterspitz.
6.	Firms engaged in gas distribution "Erdgas G.m.b.H.", "Ferngas A.G.", "Zaya Gas G.m.b.H.", "Reintal Gas G.m.b.H." and "B.F. Methane G.m.b.H."
7.	Oil depots "Praterspitz Winter Hafen" and "Mauthausen".
8.	"Wirtschaftliche Forschungsgesellschaft m.b.H." (W.I.F.O.) Oil depot at Lobau and plots of land.
9.	Pipe line Lobau (Austria)—Raudnitza (Czechoslovakia) on the section from Lobau to the Czechoslovak frontier.

NOTE: A. The undertakings shall be transferred with all their property located in Eastern Austria, including oil depots, pipe lines, distributing pumps, filling and emptying ramps, river moorings, roads, approach roads, etc.

In addition, the property rights over the whole park of railway tank wagons now in the possession of Soviet organizations shall be transferred to the Soviet Union.

B. The right of ownership and leasehold rights to all the equipment of the above-mentioned undertakings situated in Eastern Austria and engaged in the distribution of oil products shall be transferred to the Soviet Union to the extent that any natural or juridical person who owned these undertakings, exploited them or participated in their exploitation, had rights in, title to, or interest in the said equipment.

In cases where any property was held on lease, the periods of the leases, as provided for in the lease agreements, shall be calculated from the date of the entry into force of the present Treaty, and the lease agreements cannot be terminated without the consent of the Soviet Union.

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LIST No. 5

**Assets of the D.D.S.G. in Eastern Austria To Be Transferred
to the Soviet Union****I. Shipyard in the Town of Korneuburg**

The property rights of the shipyard in the town of Korneuburg situated on the left bank of the Danube at Kilometer 1943 and occupying territory on both sides of the old bed of the river Danube, with an aggregate area estimated at 220,770 square meters are to be transferred to the Soviet Union. The wharf area is equal to 61,300 square meters and the berth accommodation to 177 meters.

Furthermore, rights in the lease of the shipyard area of 2,946 square meters are to be transferred to the Soviet Union.

Property rights and other rights to all the equipment of the shipyard to the extent that the D.D.S.G. had rights, or title to or interest in the said equipment, including all plots of land, buildings, dockyards and slips, floating tackle, workshops, buildings and premises, power stations and transformer sub-stations, railway sidings, transport equipment, technological and operational equipment, tools and inventory, communications and all communal welfare installations, dwelling houses and barracks, and also all other property belonging to the shipyard are to be transferred to the Soviet Union.

II. Areas of the Port of the City of Vienna**a) First Area (Nordbahnbruecke)**

1. Port area from point 1931, 347.35 kilometers along the course of the Danube to point 1931, 211.65 kilometers, including in it the "Donau-Sandwerkplatz" area, and from point 1931, 176.90 kilometers to point 1930, 439.35 kilometers along the course of the Danube, including in it the areas "Nordbahnbruecke" and "Zwischenbruecke", extending along the wharfside for a total distance of 873.2 meters and with an average width of about 70 meters.

b) Second Area (Nordbahnlaende)

2. Port area from point 1929, 803.00 kilometers to point 1929, 618.00 kilometers along the course of the Danube, extending along the wharfside for a distance of 185.00 meters and with an average width of about 15 meters with the two adjacent railways and also the plot of the "Kommunal Baeder" area.

c) Third Area (Praterkai)

Port area from point 1928, 858.90 kilometers to point 1927, 695.30 kilometers along the course of the Danube, for a distance of 1163.60 meters and with an average width of about 70 meters.

d) Fourth Area

Port area, bordering on point 1925, 664.7 kilometers, on the Danube on the area of the port used by the Hungarian Steamship Company, to point 1925, 529.30 kilometers on the area occupied by the railway (Kai-bahnhof), extending along the wharfside for a total distance of 135.4 meters and with an average width of about 70 meters.

The four areas of the Port enumerated shall be transferred with all the hydro-technical constructions, warehouses, magazines, sheds, river station, operational, service and dwelling houses, auxiliary buildings and constructions, mechanical and loading and unloading equipment and mechanisms, repair shops with equipment, transformer sub-stations and electrical equipment, communications, communal welfare installations, all road and transport installations and also all equipment and inventory.

III. Property and Plant of the Agencies, of River Stations and Stores

Serial Number	Name
1.	Niederranna Agency and warehouse building.
2.	Obermuehl Agency and warehouse building.
3.	Land plot 536 square meters.
4.	Neuhaus Waiting room.
5.	Mauthausen Agency building.
6.	Wallsee Agency building.
7.	Warehouse.
8.	Grein Agency and warehouse building.
9.	Sarmingstein Agency building.
10.	Ybbs Agency building.

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Serial Number	Name
	Poechlarn
11.	Living premises.
12.	Agency building.
13.	Land plot 1598 square meters.
	Melk
14.	Warehouse (in the city).
15.	Waiting room and office.
16.	Warehouse.
	Schoenbuehel
17.	Waiting room.
	Aggsbach-Dorf
18.	Agency building.
19.	Warehouse.
	Spitz
20.	Agency building.
21.	Warehouse.
22.	Land plot 1355 square meters.
	Weissenkirchen
23.	Office and waiting room.
24.	Warehouse.
25.	Land plot 516 square meters.
	Duernstein
26.	Agency building.
	Stein
27.	Living premises.
28.	Waiting room and warehouse building.
29.	Land plot alongside house.
	Krems
30.	Agency building.
	Hollenburg
31.	Waiting room.
	Tulln
32.	Agency building.
	Greifenstein
33.	Shed.

Serial Number	Name
	Korneuburg
34.	Waiting room and booking office building.
	Hainburg
35.	Living premises.
36.	Agency building.
37.	Warehouse.
38.	Land plot 754 square meters.
	Arnsdorf
39.	Agency building.
	Landing Stages
40.	Melkstrom.
41.	Isperdorf.
42.	Marbach.
43.	Weitenegg.
44.	Deutsch-Altenburg
45.	Zwentendorf.
46.	Kritzendorf.

The property enumerated in Section III. is to be transferred with all equipment and inventory.

IV. Property in the City of Vienna

1. Living house at No. 11, Archduke Karl Square (formerly house No. 6), 2nd District, standing on its own land.
2. Freehold land and house at 204 Handelskai, 2nd District.
3. Freehold building plots in Wehlstrasse, 2nd District, Catastral Registry Nos. 1660, 1661, 1662.
4. Leased land plot at No. 286 Handelskai, 2nd District.

The property enumerated in Section IV. is to be transferred with all equipment and inventory.

Note to Sections II., III. and IV.

The land, occupied by the Port area mentioned in Section II. of the present list, and also by the agency buildings, river stations, warehouses and other buildings, enumerated in Sections III. and IV. of the present list and also all property indicated in Sections II., III. and IV. are to be transferred to the U.S.S.R. on the same legal basis on which this land and other property were held by the D.D.S.G., with the proviso that the land and other property owned by the D.D.S.G. on 8th May, 1945, pass into the ownership of the U.S.S.R.

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In cases where agreements which established the legal basis for the transfer of land to the D.D.S.G. did not provide for the transfer to the D.D.S.G. of the ownership rights to this land, the Austrian Government shall be obliged to formalize the transfer to the U.S.S.R. of rights, acquired by the D.D.S.G. by such agreements, and to prolong the validity of the latter for an indefinite period with the proviso that in the future the validity of such agreements shall not be canceled without the consent of the Government of the U.S.S.R.

The extent of the Soviet Union's liabilities in respect of these agreements is to be determined by agreement between the Government of the U.S.S.R. and the Government of Austria. These liabilities shall not exceed the liabilities undertaken by the D.D.S.G. in accordance with agreements concluded on or before 8th May, 1945.

V. Vessels, Belonging
to the D.D.S.G. Located in Eastern Austria
and To Be Transferred to U.S.S.R.

No.	Type of Vessel	Present Name	Old Name	Horse Power	Cargo carrying capacity
1.	Tug	"Vladivostok"	"Persenbeug"	1000	—
2.	Tug	"Cronstadt"	"Bremen"	800	—
3.	Passenger steamer	"Caucasus"	"Hellios"	1100	—
4.	Dumb tanker barge	104	"DDSG-09714"	—	967
5.	"	144	"DDSG-09756"	—	974
6.	"	161	"DDSG-05602"	—	548
7.	"	09765	"DDSG-09765"	—	952
8.	"	29	"DDSG-XXIX"	—	1030
9.	Dumb dry cargo barge	22	(Taken over after completion)	—	972
10.	"	23	"	—	972
11.	"	EL-72	"DDSG-EL-72"	—	180
12.	"	654	"DDSG-67277"	—	669
13.	"	689	"DDSG-6566"	—	657
14.	"	1058	"DDSG-1058"	—	950
15.	"	5016	"DDSG-5016"	—	520
16.	"	5713	"DDSG-5713"	—	576

No.	Type of Vessel	Present Name	Old Name	Horse Power	Cargo carrying capacity
17.	Dumb dry cargo barge	5728	"DDSG-5728"	—	602
18.	"	6746	"DDSG-6746"	—	670
19.	"	65204	"DDSG-65204"	—	650
20.	"	67173	"DDSG-67173"	—	670
21.	"	10031	"DDSG-10031"	—	942
22.	"	5015	"DDSG-5015"	—	511
23.	"	6525	"DDSG-6525"	—	682
24.	"	67266	"DDSG-67266"	—	680
25.	Lighter	304	"Johanna"	—	30
26.	"	411	"V-238"	—	40
27.	Double funnel pontoon	RP-IV	"RP-IV"	—	—
28.	"	RP-VI	"DDSG-RP-VI"	—	—
29.	"	RP-XX	"DDSG-RP-XX"	—	—
30.	Landing Stage	EP-97	"DDSG-EP-9721"	—	—
31.	Pontoon	EP-120	"DDSG-EP-120"	—	—
32.	Deckless Lighter	"Trauner"	"Trauner"	—	—
33.	Floating Crane	P-1	(nameless)	—	—
34.	"	P-2	"DDSG-21"	—	—
35.	Pontoon	PT-7	—	—	—
36.	"	PT-8	—	—	—

ARTICLE 23

**Austrian Property in Germany and Renunciation
of Claims by Austria on Germany**

1. From the date of the coming into force of the present Treaty the property in Germany of the Austrian Government or of Austrian nationals, including property forcibly removed from Austrian territory to Germany after 12th March, 1938 shall be returned to its owners. This provision shall not apply to the property of war criminals or persons who have been subjected to the penalties of denazification measures; such property shall be placed at the disposal of the Austrian Government if it has not been subjected to blocking or confiscation in accordance with the laws or ordinances in force in Germany after 8th May, 1945.

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2. The restoration of Austrian property rights in Germany shall be effected in accordance with measures which will be determined by the Powers in occupation of Germany in their zones of occupation.

3. Without prejudice to these and to any other disposition in favor of Austria and Austrian nationals by the Powers occupying Germany, and without prejudice to the validity of settlements already reached, Austria waives on its own behalf and on behalf of Austrian nationals all claims against Germany and German nationals outstanding on 8th May, 1945 except those arising out of contract and other obligations entered into, and rights acquired, before 13th March, 1938. This waiver shall be deemed to include all claims in respect of transactions effected by Germany during the period of the annexation of Austria and all claims in respect of loss or damage suffered during the said period, particularly in respect of the German public debt held by the Austrian Government or its nationals and of currency withdrawn at the time of the monetary conversion. Such currency shall be destroyed upon the coming into force of the present Treaty.

ARTICLE 24

Renunciation by Austria of Claims against the Allies

1. Austria waives all claims of any description against the Allied and Associated Powers on behalf of the Austrian Government or Austrian nationals arising directly out of the war in Europe after 1st September, 1939, or out of actions taken because of the existence of a state of war in Europe after that date whether or not such Allied or Associated Power was at war with Germany at the time. This renunciation of claims includes the following:

(a) Claims for losses or damages sustained as a consequence of acts of armed forces or authorities of Allied or Associated Powers;

(b) Claims arising from the presence, operations or actions of armed forces or authorities of Allied or Associated Powers in Austrian territory;

(c) Claims with respect to the decrees or orders of Prize Courts of Allied or Associated Powers, Austria agreeing to accept as valid and binding all decrees and orders of such Prize Courts on or after 1st September, 1939 concerning ships or goods belonging to Austrian nationals or concerning the payment of costs;

(d) Claims arising out of the exercise or purported exercise of belligerent rights.

2. The provisions of this Article shall bar, completely and finally, all claims of the nature referred to herein, which shall henceforward be extinguished, whoever may be the parties in interest. The Austrian Government agrees to make equitable compensation in schillings to persons who furnished supplies or services on requisition to the forces of Allied or Associated Powers in Austrian territory and in satisfaction of noncombat damage claims against the forces of the Allied or Associated Powers arising in Austrian territory.

3. Austria likewise waives all claims of the nature covered by paragraph 1 of this Article on behalf of the Austrian Government or Austrian nationals against any of the United Nations whose diplomatic relations with Germany were broken off between 1st September, 1939 and 1st January, 1945, and which took action in co-operation with the Allied and Associated Powers.

4. The Government of Austria shall assume full responsibility for Allied military currency of denominations of five schillings and under issued in Austria by the Allied Military Authorities, including all such currency in circulation at the coming into force of the present Treaty. Notes issued by the Allied Military Authorities of denominations higher than five schillings shall be destroyed and no claims may be made in this connection against any of the Allied or Associated Powers.

5. The waiver of claims by Austria under paragraph 1 of this Article includes any claims arising out of actions taken by any of the Allied or Associated Powers with respect to ships belonging to Austrian nationals between 1st September, 1939 and the coming into force of the present Treaty as well as any claims and debts arising out of the Conventions on prisoners of war now in force.

PART V

PROPERTY, RIGHTS AND INTERESTS

ARTICLE 25

United Nations Property in Austria

1. In so far as Austria has not already done so, Austria shall restore all legal rights and interests in Austria of the United Nations and their nationals as they existed on the day hostilities commenced between Germany and the United Nation concerned, and shall return all property in Austria of the United Nations and their nationals as it now exists.

2. The Austrian Government undertakes that all property, rights and interests falling under this Article shall be restored free of all encum-

branches and charges of any kind to which they may have become subject as a result of the war with Germany and without the imposition of any charges by the Austrian Government in connection with their return. The Austrian Government shall nullify all measures of seizure, sequestration or control taken against United Nations property in Austria between the day of commencement of hostilities between Germany and the United Nation concerned and the coming into force of the present Treaty. In cases where the property has not been returned within six months from the coming into force of the present Treaty, applications for the return of property shall be made to the Austrian authorities not later than twelve months from the coming into force of the Treaty, except in cases in which the claimant is able to show that he could not file his application within this period.

3. The Austrian Government shall invalidate transfers involving property, rights and interests of any description belonging to United Nations nationals, where such transfers resulted from force exerted by Axis Governments or their agencies between the beginning of hostilities between Germany and the United Nation concerned and 8th May, 1945.

4. (a) In cases in which the Austrian Government provides compensation for losses suffered by reason of injury or damage to property in Austria which occurred during the German occupation of Austria or during the war, United Nations nationals shall not receive less favorable treatment than that accorded to Austrian nationals; and in such cases United Nations nationals who hold, directly or indirectly, ownership interests in corporations or associations which are not United Nations nationals within the meaning of paragraph 8 (a) of this Article shall receive compensation based on the total loss or damage suffered by the corporations or associations and bearing the same proportion to such loss or damage as the beneficial interest of such nationals bears to the capital of the corporation or association.

(b) The Austrian Government shall accord to United Nations and their nationals the same treatment in the allocation of materials for the repair or rehabilitation of their property in Austria and in the allocation of foreign exchange for the importation of such materials as applies to Austrian nationals.

5. All reasonable expenses incurred in Austria in establishing claims, including the assessment of loss or damage, shall be borne by the Austrian Government.

6. United Nations nationals and their property shall be exempted from any exceptional taxes, levies, or imposts imposed on their capital assets in Austria by the Austrian Government or by any Austrian authority between the date of the surrender of the German armed forces and the coming into force of the present Treaty for the specific purpose of meeting

charges arising out of the war or of meeting the costs of occupying forces. Any sums which have been so paid shall be refunded.

7. The owner of the property concerned and the Austrian Government may agree upon arrangements in lieu of the provisions of this Article.

8. As used in this Article:

(a) "United Nations nationals" means individuals who are nationals of any of the United Nations, or corporations or associations organized under the laws of any of the United Nations, at the coming into force of the present Treaty, provided that the said individuals, corporations or associations also had this status on 8th May, 1945.

"United Nations nationals."

The term "United Nations nationals" also includes all individuals, corporations or associations which, under the laws in force in Austria during the war, were treated as enemy.

(b) "Owner" means one of the United Nations, or a national of one of the United Nations, as defined in sub-paragraph (a) above, who is entitled to the property in question, and includes a successor of the owner, provided that the successor is also a United Nation or a United Nations national as defined in sub-paragraph (a). If the successor has purchased the property in its damaged state, the transferor shall retain his rights to compensation under this Article, without prejudice to obligations between the transferor and the purchaser under domestic law.

"Owner."

(c) "Property" means all movable or immovable property, whether tangible or intangible, including industrial, literary and artistic property, as well as all rights or interests of any kind in property.

"Property."

9. The provisions of this Article do not apply to transfers of property, rights or interests of United Nations or United Nations nationals in Austria made in accordance with laws and enactments which were in force as Austrian Law on 28th June 1946.

10. The Austrian Government recognizes that the Brioni Agreement of 10th August, 1942 is null and void. It undertakes to participate with the other signatories of the Rome Agreement of 21st March, 1923, in any negotiations having the purpose of introducing into its provisions the modifications necessary to ensure the equitable settlement of the annuities which it provides.

ARTICLE 26

**Property, Rights and Interests of Minority Groups
in Austria**

1. In so far as such action has not already been taken, Austria undertakes that, in all cases where property, legal rights or interests in Austria have since 13th March, 1938, been subject of forced transfer or measures of

sequestration, confiscation or control on account of the racial origin or religion of the owner, the said property shall be returned and the said legal rights and interests shall be restored together with their accessories. Where return or restoration is impossible, compensation shall be granted for losses incurred by reason of such measures to the same extent as is, or may be, given to Austrian nationals generally in respect of war damage.

2. Austria agrees to take under its control all property, legal rights and interests in Austria of persons, organizations or communities which, individually or as members of groups, were the object of racial, religious or other Nazi measures of persecution where, in the case of persons, such property, rights and interests remain heirless or unclaimed for six months after the coming into force of the present Treaty, or where in the case of organizations and communities such organizations or communities have ceased to exist. Austria shall transfer such property, rights and interests to appropriate agencies or organizations to be designated by the Four Heads of Mission in Vienna by agreement with the Austrian Government to be used for the relief and rehabilitation of victims of persecution by the Axis Powers, it being understood that these provisions do not require Austria to make payments in foreign exchange or other transfers to foreign countries which would constitute a burden on the Austrian economy. Such transfer shall be effected within eighteen months from the coming into force of the present Treaty and shall include property, rights and interests required to be restored under paragraph 1 of this Article.

ARTICLE 27

Austrian Property in the Territory of the Allied and Associated Powers

1. The Allied and Associated Powers declare their intention to return Austrian property, rights and interests as they now exist in their territories or the proceeds arising out of the liquidation, disposal or realization of such property, rights or interests, subject to accrued taxes, expenses of administration, creditor claims and other like charges, where such property, rights or interests have been liquidated, disposed of or otherwise realized. The Allied and Associated Powers will be prepared to conclude agreements with the Austrian Government for this purpose.

2. Notwithstanding the foregoing provisions, the Federal Peoples' Republic of Yugoslavia shall have the right to seize, retain or liquidate Austrian property, rights and interests within Yugoslav territory on the coming into force of the present Treaty. The Government of Austria undertakes to compensate Austrian nationals whose property is taken under this paragraph.

ARTICLE 28

Debts

1. The Allied and Associated Powers recognize that interest payments and similar charges on Austrian Government securities falling due after 12th March, 1938, and before 8th May, 1945, constitute a claim on Germany and not on Austria.

2. The Allied and Associated Powers declare their intention not to avail themselves of the provisions of loan agreements made by the Government of Austria before 13th March, 1938, in so far as those provisions granted to the creditors a right of control over the government finances of Austria.

3. The existence of the state of war between the Allied and Associated Powers and Germany shall not, in itself, be regarded as affecting the obligation to pay pecuniary debts arising out of obligations and contracts that existed, and rights that were acquired before the existence of the state of war, which became payable prior to the coming into force of the present Treaty, and which are due by the Government or nationals of Austria to the Government or nationals of one of the Allied and Associated Powers or are due by the Government or nationals of one of the Allied and Associated Powers to the Government or nationals of Austria.

4. Except as otherwise expressly provided in the present Treaty, nothing therein shall be construed as impairing debtor-creditor relationships arising out of contracts concluded at any time prior to 1st September, 1939, by either the Government of Austria or persons who were nationals of Austria on 12th March, 1938.

PART VI

GENERAL ECONOMIC RELATIONS

ARTICLE 29

1. Pending the conclusion of commercial treaties or agreements between individual United Nations and Austria, the Government of Austria shall, during a period of eighteen months from the coming into force of the present Treaty, grant the following treatment to each of the United Nations which, in fact, reciprocally grants similar treatment in like matters to Austria:

(a) In all that concerns duties and charges on importation or exportation, the internal taxation of imported goods and all regulations pertaining thereto, the United Nations shall be granted unconditional most-favored-nation treatment;

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(b) In all other respects, Austria shall make no arbitrary discrimination against goods originating in or destined for any territory of any of the United Nations as compared with like goods originating in or destined for territory of any other of the United Nations or of any other foreign country;

(c) United Nations nationals, including juridical persons, shall be granted national and most-favored-nation treatment in all matters pertaining to commerce, industry, shipping and other forms of business activity within Austria. These provisions shall not apply to commercial aviation;

(d) Austria shall grant no exclusive or preferential rights to any country with regard to the operation of commercial aircraft in international traffic, shall afford all the United Nations equality of opportunity in obtaining international commercial aviation rights in Austrian territory, including the right to land for refuelling and repair, and, with regard to the operation of commercial aircraft in international traffic, shall grant on a reciprocal and non-discriminatory basis to all United Nations the right to fly over Austrian territory without landing. These provisions shall not affect the interests of the national defense of Austria.

2. The foregoing undertaking by Austria shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Austria prior to 13th March, 1938; and the provisions with respect to reciprocity granted by each of the United Nations shall be understood to be subject to the exceptions customarily included in the commercial treaties concluded by that State.

PART VII

SETTLEMENT OF DISPUTES

ARTICLE 30

1. Any disputes which may arise in giving effect to the Article entitled "United Nations Property in Austria" of the present Treaty shall be referred to a Conciliation Commission established on a parity basis consisting of one representative of the Government of the United Nation concerned and one representative of the Government of Austria. If within three months after the dispute has been referred to the Conciliation Commission no agreement has been reached, either Government may ask for the addition to the Commission of a third member selected by mutual agreement of the two Governments from nationals of a third country. Should the two Governments fail to agree within two months on the selection of a third member

of the Commission, either Government may request the Heads of the Diplomatic Missions in Vienna of the Soviet Union, of the United Kingdom, of the United States of America, and of France to make the appointment. If the Heads of Mission are unable to agree within a period of one month upon the appointment of a third member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. When any Conciliation Commission is established under paragraph 1 of this Article, it shall have jurisdiction over all disputes which may thereafter arise between the United Nation concerned and Austria in the application or interpretation of the Article referred to in paragraph 1 of this Article and shall perform the functions attributed to it by those provisions.

3. Each Conciliation Commission shall determine its own procedure, adopting rules conforming to justice and equity.

4. Each Government shall pay the salary of the member of the Conciliation Commission whom it appoints and of any agent whom it may designate to represent it before the Commission. The salary of the third member shall be fixed by special agreement between the Governments concerned and this salary, together with the common expenses of each Commission, shall be paid in equal shares by the two Governments.

5. The parties undertake that their authorities shall furnish directly to the Conciliation Commission all assistance which may be within their power.

6. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

PART VIII

MISCELLANEOUS ECONOMIC PROVISIONS

ARTICLE 31

Provisions Relating to the Danube

Navigation on the Danube shall be free and open for the nationals, vessels of commerce, and goods of all States, on a footing of equality in regard to port and navigation charges and conditions for merchant shipping. The foregoing shall not apply to traffic between ports of the same State.

ARTICLE 32

Transit Facilities

1. Austria shall facilitate as far as possible railway traffic in transit through its territory at reasonable rates and shall be prepared to conclude with neighboring States reciprocal agreements for this purpose.

2. The Allied and Associated Powers undertake to support inclusion in the settlement in relation to Germany of provisions to facilitate transit and communication without customs duties or charges between Salzburg and Lofer (Salzburg) across the Reichenhall-Steinpass and between Scharnitz (Tyrol) and Ehrwald (Tyrol) via Garmisch-Partenkirchen.

ARTICLE 33

Scope of Application

The Articles entitled "United Nations Property in Austria" and "General Economic Relations" of the present Treaty shall apply to the Allied and Associated Powers and to those of the United Nations which had that status on 8th May, 1945, and whose diplomatic relations with Germany were broken off during the period between 1st September, 1939 and 1st January, 1945.

PART IX

FINAL CLAUSES

ARTICLE 34

Heads of Mission

1. For a period not to exceed eighteen months from the coming into force of the present Treaty, the Heads of the Diplomatic Missions in Vienna of the Soviet Union, the United Kingdom, the United States of America and France, acting in concert, will represent the Allied and Associated Powers in dealing with the Government of Austria in all matters concerning the execution and interpretation of the present Treaty.

2. The Four Heads of Mission will give the Government of Austria such guidance, technical advice and clarification as may be necessary to ensure the rapid and efficient execution of the present Treaty both in letter and in spirit.

3. The Government of Austria shall afford to the said Four Heads of Mission all necessary information and any assistance which they may require in the fulfillment of the tasks devolving on them under the present Treaty.

ARTICLE 35

Interpretation of the Treaty

1. Except where another procedure is specifically provided under any Article of the present Treaty, any dispute concerning the interpretation or execution of the Treaty which is not settled by direct diplomatic negotiations

shall be referred to the Four Heads of Mission acting under Article 34, except that in this case the Heads of Mission will not be restricted by the time limit provided in that Article. Any such dispute not resolved by them within a period of two months shall, unless the parties to the dispute mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

ARTICLE 36

Force of Annexes

The provisions of the Annexes shall have force and effect as integral parts of the present Treaty.

ARTICLE 37

Accession to the Treaty

1. Any member of the United Nations which on 8th May, 1945 was at war with Germany and which then had the status of a United Nation and is not a signatory to the present Treaty, may accede to the Treaty and upon accession shall be deemed to be an Associated Power for the purposes of the Treaty.

2. Instruments of accession shall be deposited with the Government of the Union of Soviet Socialist Republics and shall take effect upon deposit.

ARTICLE 38

Ratification of the Treaty

1. The present Treaty, of which the Russian, English, French and German texts are authentic, shall be ratified. It shall come into force immediately upon deposit of instruments of ratification by the Union of Soviet Socialist Republics, by the United Kingdom of Great Britain and Northern Ireland, by the United States of America, and by France of the one part and by Austria of the other part. The instruments of ratification shall, in the

Entry into force.
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shortest time possible, be deposited with the Government of the Union of Soviet Socialist Republics.

2. With respect to each Allied and Associated Power whose instrument of ratification is thereafter deposited, the Treaty shall come into force upon the date of deposit. The present Treaty shall be deposited in the archives of the Government of the Union of Soviet Socialist Republics, which shall furnish certified copies to each of the signatory and acceding States.

В удостоверение чего нижеподписавшиеся Полномочные Представители подписали настоящий Договор и приложили к нему свои печати.

Совершено в городе Вена на русском, английском, французском и немецком языках 15 мая 1955 года.

In faith whereof the undersigned Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done in the city of Vienna in the Russian, English, French and German languages this day of May 15, 1955.

En foi de quoi les plénipotentiaires soussignés ont apposé leurs signatures et leurs cachets au bas du présent Traité.

Fait en la ville de Vienne, le 15 mai 1955 en langue russe, anglaise, française et allemande.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten den vorliegenden Vertrag unterzeichnet und mit ihren Siegeln versehen.

Geschehen in der Stadt Wien in russischer, englischer, französischer und deutscher Sprache am 15. Mai 1955.

[SEAL] VYACHESLAV MIKHAILOVICH MOLOTOV

[SEAL] IVAN I. ILYICHEV

[SEAL] HAROLD MACMILLAN

[SEAL] GEOFFREY WALLINGER

[SEAL] JOHN FOSTER DULLES

[SEAL] LLEWELLYN E THOMPSON

[SEAL] A PINAY

[SEAL] R LALOUETTE

[SEAL] LEOPOLD FIGL

ANNEX I

DEFINITION AND LIST OF WAR MATERIEL

The term "war materiel" as used in the present Treaty shall include all arms, ammunition and implements specially designed or adapted for use in war as listed below.

The Allied and Associated Powers reserve the right to amend the list periodically by modification or addition in the light of subsequent scientific development.

Category I

1. Military rifles, carbines, revolvers and pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use.
2. Machine guns, military automatic or autoloading rifles, and machine-pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use; machine gun mounts.
3. Guns, howitzers, mortars (*minenwerfer*), cannon special to aircraft, breechless or recoilless guns and flamethrowers; barrels and other spare parts not readily adaptable for civilian use; carriages and mountings for the foregoing.
4. Rocket projectors; launching and control mechanisms for self-propelling and guided missiles and projectiles; mountings for same.
5. Self-propelling and guided missiles, projectiles, rockets, fixed ammunition and cartridges, filled or unfilled, for the arms listed in subparagraphs 1-4 above, and fuses, tubes or contrivances to explode or operate them. Fuses required for civilian use are not included.
6. Grenades, bombs, torpedoes, mines, depth charges and incendiary materials or charges, filled or unfilled; all means for exploding or operating them. Fuses required for civilian use are not included.
7. Bayonets.

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Category II

1. Armoured fighting vehicles; armoured trains, not technically convertible to civilian use.
2. Mechanical and self-propelled carriages for any of the weapons listed in Category I; special type military chassis or bodies other than those enumerated in sub-paragraph 1 above.
3. Armour plate, greater than three inches in thickness, used for protective purposes in warfare.

Category III

1. Aiming and computing devices for the preparation and control of fire, including predictors and plotting apparatus, for fire control; direction of fire instruments; gun sights; bomb sights; fuse setters; equipment for the calibration of guns and fire control instruments.
2. Assault bridging, assault boats and storm boats.
3. Deceptive warfare, dazzle and decoy devices.
4. Personal war equipment of a specialized nature not readily adaptable to civilian use.

Category IV

1. Warships of all kinds, including converted vessels and craft designed or intended for their attendance or support, which cannot be technically reconverted to civilian use, as well as weapons, armour, ammunition, aircraft and all other equipment, material, machines and installations not used in peace time on ships other than warships.
2. Landing craft and amphibious vehicles or equipment of any kind; assault boats or devices of any type as well as catapults or other apparatus for launching or throwing aircraft, rockets, propelled weapons or any other missile, instruments or devices whether manned or unmanned, guided or uncontrolled.
3. Submersible or semi-submersible ships, craft, weapons, devices, or apparatus of any kind, including specially designed harbor defense booms, except as required by salvage, rescue or other civilian uses, as well as all equipments, accessories, spare parts, experimental or training aids, instruments or installations as may be specially designed for the construction, testing, maintenance or housing of the same.

Category V

1. Aircraft assembled or unassembled, both heavier and lighter than air, which are designed or adapted for aerial combat by the use of machine guns, rocket projectors or artillery, or for the carrying and dropping of bombs, or which are equipped with, or which by reason of their design or

construction are prepared for, any of the appliances referred to in subparagraph 2 below.

2. Aerial gun mounts and frames, bomb racks, torpedo carriers and bomb release or torpedo release mechanisms; gun turrets and blisters.
3. Equipment specially designed for and used solely by airborne troops.
4. Catapults or launching apparatus for shipborne, land-or-sea-based aircraft; apparatus for launching aircraft weapons.
5. Barrage balloons.

Category VI

Asphyxiating, vesicant, lethal, toxic or incapacitating substances intended for war purposes, or manufactured in excess of civilian requirements.

Category VII

Propellants, explosives, pyrotechnics or liquified gases destined for propulsion, explosion, charging, or filling of, or for use in connection with, the war materiel in the present categories, not capable of civilian use or manufactured in excess of civilian requirements.

Category VIII

Factory and tool equipment specially designed for the production and maintenance of the materiel enumerated above and not technically convertible to civilian use.

TIAS 3208

320431

ANNEX II

Having regard to the arrangements made between the Soviet Union and Austria, and recorded in the Memorandum signed at Moscow on April 15, 1955, Article 22 of the present Treaty shall have effect subject to the following provisions:

Ante, p. 2418.

1. On the basis of the pertinent economic provisions of the April 15, 1955 arrangements between the Soviet Union and Austria, the Soviet Union will transfer to Austria within two months from the date of entry into force of the present Treaty, all property, rights and interests to be retained or received by it in accordance with Article 22, except the Danube Shipping Company (D.D.S.G.) assets in Hungary, Roumania and Bulgaria.

2. It is agreed that in respect of any property, right or interest transferred to Austria in accordance with this Annex, Austria's rights shall be limited only in the manner set out in paragraph 13 of Article 22.

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320433

320434

MEMORANDUM

#3260

From Margaret Feiler

To Dorothy L. Speiser

New York, December 15, 1960

Handwritten notes and signatures:
J. R. O.
Merchandise
Accounting
C. O.

Subject Reparation Funds - Securities

In September 1949, it was decided to purchase certain securities from the Merchandising Advisory Committee. These securities had come as a part of the non-monetary gold and they were supposed to be worthless. JDC paid the nominal amount of \$100 and the agreement was that the purchase price would be met by the JDC and the Jewish Agency in the proportionate share of the 60-40 formula agreed upon with respect to the distribution of reparations funds. The JDC paid \$100 on November 3, 1949. Subsequently, the securities were turned over to the firm of Eric Warburg, Inc. for evaluation and possible disposal.

During recent months, proceeds of the sales were remitted to us as follows:

October 21	\$ 147
November 1	850
November 16	325
December 14	<u>145</u>
 Total Proceeds	 <u>\$1,467</u>

Deducting from the above amount the cost of \$100, the net proceeds of \$1,367 have to be split by the JDC and the Jewish Agency in the proportion of 40 to 60.

Will you please authorize the Accounting Department to draw check in the amount of \$820.20 to the Jewish Agency in settlement of their share.

830.20

M.F.

Margaret Feiler

MF:mn

320435

MERCHANDISING ADVISORY COMMITTEE
TO THE
INTERNATIONAL REFUGEE ORGANIZATION
119 West 40th Street
New York 18, N.Y.

Handwritten notes and signatures:
Mark
Stan
DLS
I.R.O.
merchandise
Com
October 26, 1950

TO ALL COMMITTEE MEMBERS:

This report finally completes the work of the Committee which is now three years old almost to the day.

We have received additional funds from the following sources:

Customs Refund	\$ 8,376.66
Sale of Amber	15.96
Sale of Pipes	59.75
Sale of Platinum	1,280.96
Sale of Palladium	1,083.71

Expenditures have been \$76.70 consisting of reimbursements to Sullivan and Cromwell for out-of-pocket expenditures.

A final check for \$17,017.93 has been forwarded to the I.R.O. and our bank account closed. Total remittances have been \$1,867,017.93, - \$10,000.00 of which was advanced by the I.R.O. when the Committee was formed.

The Committee is dissolved.

Again many, many thanks for your help.

R. C. KRAMER
Chairman

320436

S. J. P.
Merchandising
Advisory Com

September 1, 1950

MEMORANDUM

To: Files
From: T. Ungar
Re: IRO Securities

Several weeks ago I received a telephone call from a staff member of the firm of Eric Warburg, Inc., to which the above securities had been turned over for evaluation. I was advised that this matter was being actively processed, but that due to the complexity of the securities involved, several more weeks would have to elapse before the job could be finished.

TU

cc. RL

*Re IRO of Etn
DLS*

MERCHANDISING ADVISORY COMMITTEE
TO THE
INTERNATIONAL REFUGEE ORGANIZATION
119 West 40th Street
New York 18, N. Y.

November 30, 1949

TO ALL COMMITTEE MEMBERS:

This is the final report of the Committee for all practical purposes. We will receive small additional sums, principally from customs refunds, but all of our merchandise is sold and paid for.

Since my last report we have sent \$350,000 to Geneva bringing the total net proceeds that have been remitted to \$1,850,000. There is a balance of \$6,131.84 in the Committee's bank account which will be sent to Geneva as soon as we are certain of no further receipts or expenditures.

Price Waterhouse has been asked to bring their audit of June 30th up to date and all files pertaining to our various transactions have been sent to Sullivan and Cromwell.

The I.R.O. has advised me informally that a substantial quantity of Italian loot,- consisting chiefly of jewelry,- will probably be turned over to them. They have requested that the Committee undertake this liquidation. The task of the German liquidation was much greater in time and effort than I had envisaged when our Committee was first formed two years ago and I, at least, do not relish the assumption of another major chore. While the problem is not as yet concretely before us and the details are vague, I would be grateful for any views which members have as to what our attitude should be.

I want to again express my gratitude for the splendid help and cooperation I received from so many of you. Never once was any request

320438

that I made on your time denied me and without that assistance, this venture would have been far less successful.

The Committee owes a particularly heavy debt to Sullivan and Cromwell, our counsel. They were called upon to do more work for us than they would be required to do for many major clients,- yet they invariably responded to our many demands with cheerfulness, great competence and with no compensation.

I want to remind the Committee also, that Price Waterhouse likewise rendered splendid service and advice at all times on the same basis of payment as that received by Sullivan and Cromwell.

R. C. KRAMER
Chairman

CASH REPORT

BALANCE: 6/30/49

\$ 71,834.73

RECEIPTS:

Sale of Tools	\$ 5.00
Glassware	35.00
Clocks	40.00
Scale	35.00
Securities	453.76
Miscellaneous Stones	150.00
Rugs	53.11
Silver--Lot #1	1,409.04
2	1.00
3	2,018.75
4	567.70
5	1,024.54
Adjustment - Parke Bernet Sales	486.39
Currency Transfer	89,747.17
Silver Smelted	187,612.53
Excess Duty Returned	<u>908.12</u>

Total Receipts 284,547.11
 356,381.84

DISBURSEMENTS:

Transferred to Geneva	350,000.00
Office Expense	<u>250.00</u>

Total Disbursements 350,250.00

BALANCE: 11/30/49 \$ 6,131.84

320440

~~MERCHANDISING ADVISORY COMMITTEE~~
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION
119 West 40th Street
New York 18, N.Y.

June 1, 1949

TO THE COMMITTEE:

Although we have had a number of conversations in recent weeks, we have not as yet concluded any further sales of substance. As you have been previously informed, our remaining stocks consist primarily of silverware and a few parcels of odds and ends.

\$100,000 was sent to Geneva since the last report bringing the total proceeds remitted to date to \$1,500,000.

A cash report as of June 1, 1949 follows:

CASH BALANCE: 4/19/49 \$ 85,709.13

CASH RECEIVED:

Additional cash on sale of gold watches	\$ 208.03	
Additional cash on Parke-Bernet Dec. Sale	254.67	
Additional cash on Kende auction	209.56	
Refund of Customs Duties paid	423.47	
Final payment on Beshany silver contract	5,316.45	
Insurance settlement of damaged rug claim	10,976.28	
Sale miscellaneous gold jewelry to Marcus and Co.	755.00	
Sale silver scrap to Irvington Refinery	<u>6,859.35</u>	
Total:	\$ <u>25,002.81</u>	<u>25,002.81</u>

\$ 110,711.94

CASH DISBURSED:

Office Expense	150.00	
Transfer to Geneva	<u>100,000.00</u>	
Total	<u>100,150.00</u>	<u>100,150.00</u>

BALANCE: 6/1/49 \$ 10,561.94

R. C. KRAMER
Chairman

320441

W. M. A. T. at IDC

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

119 West 40th Street
New York 18, N.Y.

April 19, 1949

TO THE COMMITTEE:

We finally received payments for our gold watches. As you have been told previously the watches could not be sold as watches because of their bad condition, customs and marking laws and trade mark problems. They were sold for their gold content at \$41.00 an ounce net to the Committee. The gold content was determined by Johnson Matthey & Co. Ltd., London assayers and checked by N.M. Rothschild & Sons in London.

We now have practically nothing left to sell except silver and securities of doubtful value.

Since the last report we sent \$300,000 to Geneva, bringing the total of the payments made to \$1,400,000. *see next page*

A Cash Report as of April 19th follows:

CASH BALANCE 3/4/49		\$39,380.14
CASH RECEIVED:		
Sale Silver	\$65,000.00	
" "	45,000.00	
" Jewelry	92.42	
" Metal watches - in bond	3,904.75	
" Gold watches	183,977.86	
" Securities	574.08	
" Silver Scrap	48,428.60	
" Vase-Parke Bernet	16.70	
	<hr/>	
TOTAL	346,994.41	<u>346,994.41</u>
		386,374.55
CASH DISBURSED:		
Office Expense	103.17	
Expense-Dismantling Watches	562.25	
Geneva	300,000.00	
	<hr/>	
TOTAL	300,665.42	<u>300,665.42</u>
	BALANCE 4/19/49	<u>\$ 85,709.13</u>

320442

Several sizable sales have been made since the last report. We sold \$65,000 worth of silver to one buyer and \$45,000 to a second buyer. Our entire stock of non-precious metal watches were sold at 25¢ per watch. These sales were all made in bond, with buyer assuming all charges and problems of entry to the United States.

R. C. KRAMER
Chairman

DRS.

John L. R. O.
Merchandising
Advisory

March 9, 1949

Mr. Frederick F. Grubel
American Joint Distribution Committee
119 Rue St. Dominique
Paris 7, France

Dear FFG:

I am attaching hereto copy of the cash report as of March 4, 1949 which we received from R.C. Kramer, Chairman of the Merchandising Advisory Committee IEO. I doubt whether you receive these statements in Paris although you saw them regularly here in New York.

The Accounting Department advises me that the following has been received on account of non-monetary gold transactions:

February 1948 - United States.....	\$260,000.00
April 1948 - London - £15,120.....	60,933.60
May 1948 - United States (Total received \$300,000.).....	89,268.00
November 1948 - United States.....	200,000.00
Total Non-Monetary Gold received in 1948.....	<u>\$610,201.60</u>

It is difficult to trace how much of these receipts are applicable against the \$1,100,000. which Mr. Kramer indicates he has remitted to Geneva as of March 2, 1949. Of course, 10% comes off that amount for non-Jewish purposes which means that there will be available to the JDC and Jewish Agency \$990,000. of which we get 40% or \$396,000. Can you ascertain how much of the \$610,201. applies against the sales of Mr. Kramer's Committee. I understand from a letter which we had from Melvin Goldstein that we can expect to receive to receive another \$100,000. - \$150,000.

I doubt whether the IEO retains any sizeable balances but as you know we are continuously faced with cash problems and I would like to get all that is due us.

Kindest regards,

Yours sincerely

Evelyn N. Morrissey

EMM:rl

320444

The Cash Report as of March 4, 1949 is as follows:

CASH BALANCE (1-31-49) \$ 73,162.53

CASH RECEIVED:

Silver Scrap	\$47,422.51	
Platinum Scrap	1,399.87	
Gold Scrap	178.12	
Kende Auction	17,061.19	
Damaged Rugs	<u>243.50</u>	
Total Received	\$66,305.19	<u>66,305.19</u>
		\$139,467.72

CASH DISBURSED

Office Expense	\$ 26.58	
Legal Expense	61.00	
To Geneva	<u>100,000.00</u>	
Total Disbursed	\$100,087.58	<u>100,087.58</u>

CASH BALANCE (3/4/49) \$ 39,380.14

The \$100,000 remitted to Geneva on March 2, makes the total payments to date \$1,100,000.

R. C. KRAMER
Chairman

AT
How much claim has received?
 \$ 549,000 -
 from the minister to Chase Bank n.y.
 \$ 60,900 deposited Westminster Bank

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

119 West 40th Street
New York 18, N.Y.

March 7, 1949

TO THE COMMITTEE:

No report was submitted at the first of the month because several important transactions were pending at that time which it was desirable to definitely finalize before reporting.

You will recall that in July of last year, a contract was made for the sale of a vast quantity of silver. \$25,000 was paid at the signing of the contract. It soon became apparent that the buyer would have difficulty in taking up the contract but in October he made payment of \$100,000 against which \$80,000 of silver was delivered. He was then unable to complete the contract and we held \$45,000 of his money.

The same syndicate contracted to buy a large quantity of gold, enamel and metal watches and again deposited \$25,000. They took delivery of and paid for the enamel and metal watches, but for various reasons could not take delivery of the gold watches.

We thus held \$70,000 of cash (\$45,000 from silver and \$25,000 from watches.) A settlement has been entered into whereby we will deliver silver of our selection to an agreed upon value of \$55,000 in complete settlement of these contracts and retain as a forfeiture, \$15,000.

A new contract was entered into in January for the sale of the gold watches referred to above, at a slight increase in price above that at which they were previously sold and a deposit of \$5,000 was received.

Handwritten:
DLS
A.T.

The buyer was unable to complete the contract and forfeited the \$5,000.

The watches were again resold in February at a still higher price and a letter of credit in payment therefor secured. The total price is to be determined by an assay of the gold in London. The watches have been shipped and we are now awaiting the assayers' report.

No commissions were paid on any of the above transactions. It is interesting that the forfeitures by buyers, of deposits amounting to \$20,000 are several times the amount of the out-of-pocket expense directly incurred by the Committee.

Price, Waterhouse & Co. began the audit of the Committee's books on March 3, 1949.

The following letter was received from Hallam Tuck, Director-General of the International Refugee Organization:

"Dear Colonel Kramer;..

On behalf of the International Refugee Organization, I wish to express our sincere congratulations and deep appreciation for the accomplishment of yourself and your Committee on reaching a total of \$1,000,000 transferred to the IRO, from the sale of looted non-monetary gold.

We are bringing the excellent work of the Merchandising Advisory Committee to the attention of the General Council of the IRO when they meet in March, and I am sure that they will wish to add their commendations.

Your substantial assistance in this most humanitarian programme is deeply appreciated.

Yours sincerely,
(s) W. HALLAM TUCK
Director-General"

✓ *For JRU C/Elm*

C
AM

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

119 West 40th Street
New York 18, N.Y.

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320448

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Your substantial assistance in this most humanitarian programme is deeply appreciated.

Yours sincerely,
(s) W. HALLAM TUCK
Director-General"

The Cash Report as of March 4, 1949 is as follows:

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Platinum Scrap	1,399.87	
Gold Scrap	178.12	
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Total Received	\$66,305.19	<u>66,305.19</u>
		\$139,467.72

CASH DISBURSED

Office Expense	\$ 26.58	
Legal Expense	61.00	
To Geneva	<u>100,000.00</u>	
Total Disbursed	\$100,087.58	<u>100,087.58</u>

CASH BALANCE (3/4/49) \$ 39,380.14

The \$100,000 remitted to Geneva on March 2, makes the total payments to date \$1,100,000.

R. C. KRAMER
Chairman

JR

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

MAC

1949

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F-111

January 5, 1949

TO THE COMMITTEE:

Submitted herewith is a cash report of the Committee as at December 31, 1948:

CASH BALANCE: (11-30-48) \$ 84,168.61

CASH RECEIVED:

Parke-Bernet October Auction		\$ 40,663.45	
Parke-Bernet Rug sale	\$10,493.25		
Miscellaneous	<u>729.28</u>	11,222.53	
Sale gold jewelry in bond		36,666.33	
Sale miscellany		<u>213.50</u>	
Total Received		\$88,765.81	<u>88,765.81</u>
			172,934.42

CASH DISBURSED:

Office Expense		\$ 192.76	
Expense of testing pearls		13.00	
I.R.O.--Geneva		<u>100,000.00</u>	
Total Disbursed		\$100,205.76	<u>100,205.76</u>

CASH BALANCE (12-31-48) \$ 72,728.66

320451

In addition to the above we have Accounts Receivable of approximately \$50,000 chiefly from Parke-Bernet. Our sale of rugs in December grossed \$11,747 and our sale at Parke-Bernet grossed \$40,560.

We have shipped six tons of silver flatware to refiners for smelting. Proceeds from this shipment will be received in January.

A sale is scheduled for the Kende Galleries, 119 West 57th Street, New York, for January 12th to 15th. This sale will include our remaining diamond jewelry, gold and silver jewelry, boxes and silverware.

Negotiations are still pending for the sale of the watches and silverware remaining from the contracts that went into default.

\$100,000 was remitted to Geneva in December, making total payments to date \$900,000.

R.C. KRAMER
Chairman

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

January 5, 1949

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320453

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\$100,000 was remitted to Geneva in December, making total payments to date \$900,000.

R.C. KRAMER
Chairman

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Be J. G.

John
Dr.
dn

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

December 3, 1948

TO THE COMMITTEE:

Submitted herewith is a cash report of the Committee as at November 30, 1948:

CASH BALANCE: (10-30-48) \$ 57,012.26

CASH RECEIVED:

Freeman Auction, Philadelphia (balance)		4,255.67
Sale of Securities		45.00
Sale of Coins - Grunthal Auction	\$4,564.04	
Gimbels	2,938.33	
Miscellaneous	<u>155.00</u>	7,657.37
Sale Miscellaneous Jewelry		522.50
Sale Rugs Parke-Bernet	\$11,806.50	
Miscellaneous	<u>1,176.17</u>	12,982.67
Sale Miscellaneous articles		438.67
Smelting Silver Scrap	\$1,466.84	
Gold Scrap	<u>1,143.44</u>	<u>2,610.28</u>

TOTAL RECEIVED: 85,524.42

CASH DISBURSED:

Expenses in connection with bulk silver sale	\$1,200.00
Office Expense	<u>155.81</u>
	\$1,355.81

TOTAL DISBURSED: 1,355.81

CASH BALANCE (11-30-48) \$ 84,168.61

In addition to the above, we have accounts receivable of \$65,400, principally from Parke-Bernet, which will be paid in December.

320455

My letters of July 20th and August 13th informed you of the signing of two contracts covering a large sale of silver and a separate sale of watches. Both sales were to the same buyer. Deposits of \$25,000 were obtained on each contract.

It became apparent during the Fall that the buyer would have difficulty in meeting the contract terms. The silver contract was cancelled at one time and on the last day of grace, the buyer was able to raise \$100,000 against which \$80,000 of silver was delivered. The balance of \$20,000 was held to insure performance by a stipulated date. When that date arrived, the buyer again defaulted and on advice of counsel the contract was terminated.

The watch contract followed a similar pattern. After paying \$8,155 for metal and enamel watches, buyer was unable to raise funds for the balance and that contract was terminated.

The inability of the buyer to carry out his obligations, causes serious problems particularly in regard to silver. Relying on the sale described in the July 20th letter, that silver was not available for sale through other channels for the Fall and Holiday Season and will force us to sell it in the less desirable Spring season. We have also decided to melt some of the loose flatware covered in that sale because there now seems to be very slim hope of realizing more money for it than will be gained by smelting.

We are negotiating with another buyer for the gold watches. While we have agreed in principle on the terms, no contract has yet been signed.

The final rug sale at the Sofia Warehouse will be held December 9th. This sale exhausts our rug stock.

A sale will be held at Parke-Bernet December 17th and 18th. This will include silver, gold, jewelry, rugs and some miscellany.

Operations were affected by the waterfront strike in November, because we could not gain access to our stocks at Staten Island.

R.C. KRAMER
Chairman

Gen. I.R.O.

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

TO THE COMMITTEE:

November 3, 1948

Submitted herewith is a financial report of the Committee as at October 31, 1948:

CASH BALANCE (9-30-48) \$ 22,665.30

CASH RECEIVED:

U.S. Assay Office - Gold Teeth	\$ 424.63	
Miscellaneous Scrap	<u>475.75</u>	900.38
Bulk Silver sale on a/c		100,000.00
Sale at Freeman Galleries, Phila., on a/c		25,000.00
Sale at Parke-Bernet - September	\$106,849.25	
June (addtl.)	<u>983.27</u>	107,832.52
Sale of miscellaneous paper money and coins		134.65
Sale of securities		40.00
Sale of miscellaneous jewelry - Sofia Whse.	\$878.35	
General	<u>746.50</u>	<u>1,624.85</u>
	TOTAL RECEIVED:	\$ 258,197.70

CASH DISBURSEMENTS:

I.R.O. Geneva	\$200,000.00	
Legal Exp. (Washington Attys. - Marking silver)		634.01
Jewelry Exp. - Testing Pearls	\$22.00	
Reimbursement - Mailing Stones	<u>(10.86)</u>	11.14
Office Exp. - Salaries	\$205.00	
Telephone	235.29	
Petty Cash	<u>100.00</u>	<u>540.29</u>
	TOTAL DISBURSED:	<u>201,185.44</u>
	CASH BALANCE	
	10/31/48	<u>\$ 57,012.26</u>

320457

You were sent catalogs of the sales held in October. The Coin Auction held on October 19th realized \$5,400 gross. A sale of rugs held October 20th realized \$13,890 gross. The Parke-Bernet sales held October 28th to 30th realized \$53,037 gross. The net proceeds of these sales are not reflected in the above financial statement.

There will be a rug sale at the Sofia Building November 10th. You are urged to ask your rug buyers to view these rugs at the exhibit that will be held at the Sofia Building November 8th and 9th.

The next Parke-Bernet sale will be held the week-end of December 17th.

\$200,000 was remitted to Geneva in October bringing the total proceeds remitted to date, to \$800,000.

R. C. KRAMER
Chairman

file
Jan 2 1948
Merchandising
Com

October 7, 1948

Dr. Joseph Schwartz
American Joint Distribution Committee
119 Rue St. Dominique
Paris 7, France

Dear Joe:

I am enclosing herein a copy of Mr. R. C. Kramer's last statement dated October 5th in behalf of the Merchandising Advisory Committee. You will note from the last sentence on page 3 that the payments made to I.E.O. now total \$600,000. I think you will want to draw this to the attention of Abba Schwartz and ask whether the time is not now ripe to make a distribution.

Please keep us advised. Kindest regards,

Yours sincerely,

Evelyn M. Morrissey

Enc.
EMH:rl

320459

MERCHANDISING ADVISORY COMMITTEE
 TO THE
 PREPARATORY COMMISSION
 INTERNATIONAL REFUGEE ORGANIZATION

MAC
OCT 6-1948
BMM
JWS
FFF

OCTOBER 5, 1948

TO THE COMMITTEE:

Submitted herewith is a financial report of the Committee as at September 30, 1948:

CASH BALANCE (8-31-48) \$ 85,178.11

CASH RECEIVED:

Sale of Securities	\$ 47.87	
" a/c Watches	8,155.00	
" Catholic religious articles	10.00	
" Camera	10.00	
" Ring	25.00	
" Seal	15.00	
" Gold Teeth	30.00	
" Miscellaneous Jewelry	2,698.50	
" Rug	137.50	
	<u>11,128.87</u>	11,128.87

Diamond Auction

Deposits received	189,793.51	
Additional on bills	99,013.86	
	<u>288,807.37</u>	
Excess over bills and Returned deposits	61,760.36	
	<u>227,047.01</u>	227,047.01

TOTAL RECEIVED: \$323,353.99

CASH DISBURSEMENTS:

I.R.O. - Geneva	300,000.00
Expense - Bulk silver sale	50.00
Office expense	16.65
Expense - Diamond Auction	188.90
Salaries	433.14
	<u>300,688.69</u>

TOTAL DISBURSEMENTS: 300,688.69

CASH BALANCE (9-30-48) \$ 22,665.30

*Note - Total paid IRO 300,000.00 - see p 3
 write IRO ask Attila Schwartz re distribution
 send copy this statement to Paris*

J 320460

You were sent a catalog of the diamonds to be sold via sealed bids. The diamonds were placed on view at the United Nations building for ten days. About 110 prospective buyers viewed the stones. Bids, received from 33 firms, were opened on September 15th. The range of bids was extreme; i.e., from \$98 to \$51 per carat on one stone. Bids for the gem stones were in general satisfactory. Bids for the "roses" (chips to the layman) were far below estimates. We are informed that there is only a nominal market for these stones in the United States. We rejected all bids on a number of lots and subsequently sold those lots for 5% above the highest sealed bid offer for each lot rejected. There were 15 bidders who were awarded lots. Total receipts including those from diamonds sold subsequent to the sale, i.e. \$227,000 were about 10% below our estimates.

The second Parke-Bernet sale was held September 14th to 18th. The merchandise offered at this sale differed from that offered in the previous sale in that we offered no loose gems and had few expensive pieces of jewelry and no snuff boxes of importance. We included some rugs for the first time. Receipts were \$127,000 which were about 10% below estimates.

An auction was held of silver, rugs and small lots of jewelry at the Freeman Galleries in Philadelphia from September 27th to October 1st. Sales for the first four days were \$30,834.

We will hold an auction of about 800 machine-made and oriental rugs at the Sofia Warehouse, 61 Street and 9th Avenue, October 20th. The rugs will be on display there from October 18 to 19th. Catalogs will be mailed to you. I urge all the retail members to have their rug buyers at their New York buying offices see these rugs and if possible bid on them. Subsequent sales of rugs will be held in November and December.

An auction will be held at the Parke-Bernet Galleries beginning October 30th.

Bids on the coins held by the Committee will be opened on October 19th. You have been sent a catalog of this sale.

You will note from the financial statement that \$300,000 was sent to the I.R.O. in September. Payments to I.R.O. now total ~~\$600,000.~~

R. C. KRAMER

2 R 9

MERCHANDISING ADVISORY COMMITTEE
 TO THE
 PREPARATORY COMMISSION
 INTERNATIONAL REFUGEE ORGANIZATION

OCTOBER 5, 1948

TO THE COMMITTEE:

Submitted herewith is a financial report of the Committee as at September 30, 1948:

CASH BALANCE (8-31-48) \$ 85,178.11

CASH RECEIVED:

Sale of Securities	\$ 47.87	
" a/c Watches	8,155.00	
" Catholic religious articles	10.00	
" Camera	10.00	
" Ring	25.00	
" Seal	15.00	
" Gold Teeth	30.00	
" Miscellaneous Jewelry	2,698.50	
" Rug	137.50	
	11,128.87	11,128.87

Diamond Auction

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Additional on bills	99,013.86	
	288,807.37	
Excess over bills and Returned deposits	61,760.36	
	227,047.01	227,047.01

TOTAL RECEIVED: \$323,353.99

CASH DISBURSEMENTS:

I.R.O. - Geneva	300,000.00	
Expense - Bulk silver sale	50.00	
Office expense	16.65	
Expense - Diamond Auction	188.90	
Salaries	433.14	
	300,688.69	

TOTAL DISBURSEMENTS: 300,688.69

CASH BALANCE (9-30-48) \$ 22,665.30

320463

You were sent a catalog of the diamonds to be sold via sealed bids. The diamonds were placed on view at the United Nations building for ten days. About 110 prospective buyers viewed the stones. Bids, received from 33 firms, were opened on September 15th. The range of bids was extreme; i.e., from \$98 to \$551 per carat on one stone. Bids for the gem stones were in general satisfactory. Bids for the "roses" (chips to the layman) were far below estimates. We are informed that there is only a nominal market for these stones in the United States. We rejected all bids on a number of lots and subsequently sold those lots for 5% above the highest sealed bid offer for each lot rejected. There were 15 bidders who were awarded lots. Total receipts including those from diamonds sold subsequent to the sale, i.e. \$227,000 were about 10% below our estimates.

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An auction will be held at the Parke-Bernet Galleries beginning October 30th.

Bids on the coins held by the Committee will be opened on October 19th. You have been sent a catalog of this sale.

You will note from the financial statement that \$300,000 was sent to the I.R.O. in September. Payments to I.R.O. now total \$600,000.

R. C. KRAMER

9/13/49 *Adm*
met

JRO

Mr. Linder mentioned that Mr. Kramer of the Merchandising Advisory Committee had been in touch with him regarding certain securities that have come in as part of the non-monetary gold. Although these securities are apparently worthless at present and Mr. Kramer had been authorized to destroy them, he felt that they may at a later date be of some value. Mr. Linder agreed that it was worthwhile holding these securities and he suggested that they be purchased for a nominal sum of \$100 to be met by JDC and Jewish Agency in the proportionate share of the sixty-forty formula agreed upon with respect to the distribution of reparations funds.

JO

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

September 3, 1948

TO THE COMMITTEE:

Submitted herewith is a financial report of the Committee as at August 31, 1948:

CASH BALANCE (7-31-48)		\$ 55,092.85
CASH RECEIVED		
Balance received on Sofia Sale		3,484.07
Deposit on a/c Sale of Watches		25,000.00
Sale of Ghetto Coins		100.00
Sale of part of used Furs		2,000.00
Sale of Securities		<u>907.40</u>
TOTAL CASH		\$86,584.32
CASH DISBURSED		
Salaries	347.50	
Office Expense	48.62	
Diamond Auction Expense:		
Supplies	180.16	
Safe Deposit Box	<u>29.93</u>	210.09
Expense of cleaning rugs prior to sale	<u>800.00</u>	<u>1,406.21</u>
CASH BALANCE (8-31-48)		<u>\$85,178.11</u>

There have been no unusual developments since my last letter.

R. C. KRAMER

320467

2100
[Handwritten Signature]

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

August 13, 1948

TO THE COMMITTEE

Dear Sirs:

You were advised in the June Report that we had come to the conclusion that it was not feasible to sell our stock of watches as watches, and had decided to break them up for precious metal content.

There was a possibility however that a buyer might be found who could see some solution to the problem, probably in the export field and we delayed taking final action.

Fortunately such a buyer materialized and we have signed a contract for...

- (a) All gold watches at fine gold value plus \$2.00 per watch for each man's watch and \$1.00 per watch for each lady's watch.
- (b) All enamel cased watches at \$5.00 per watch.
- (c) Twenty thousand (20,000) nickel watches at \$.25 each.

A formula has been devised for determination of gold content. A deposit of \$25,000 was secured.

This will leave us with about 50,000 watches divided about fifty/fifty between silver and nickel cases.

Those of us in intimate touch with the watch problem, believe this transaction to be an excellent one for the Committee. I hope you concur.

R. C. KRAMER
Chairman

320468

YK O
Merchandising
J. H. Kramer

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

August 4, 1948

TO THE COMMITTEE

Dear Sirs:

The enclosures cover the data sent to about 1800 Diamond Buyers detailing the stock offered and terms of the Diamond Auction to be held beginning August 30th.

Mr. David Freudenthal was good enough to do most of the work represented by these papers for the Committee.

If you or your business interests have a specific interest in any of the lots, this office will be glad to aid you in any way it can.

R. C. KRAMER
Chairman

320469

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

THE COMMITTEE:

August 2, 1948

R.C. Kramer, Chairman
Russell P. Bygel, Pres.
Interstate Dept. Stores
David Freudenthal
Financial Consultant
Bernard Gimbel, Pres.
Gimbel Brothers
Victor Hammer
Hammer Galleries
Joseph Kasper, Pres.
Assoc. Merchan. Corp.
Allan Kramer
Sullivan and Cromwell
Fred Lazarus, Pres.
Federated Dept. Stores
Sam Leidesdorf
S.D. Leidesdorf & Co.
N.A. Leitner
Price Waterhouse & Co.
Edwin I. Marks, Chm.
Executive Committee
R. H. Macy & Co.
Robert McKim, Pres.
Associated Dry Goods
Edward Mitten, Pres.
Jordan Marsh
B. Earl Puckett, Pres.
Allied Stores Corp.
William O. Riordan, Sr.
President
Stern Brothers
George Whitten, Pres.
Burdine's
P.G. Winnett, Pres.
Bullock's
Gabriel Ferras
c/o French Financial
Attache
(French Repr.
Arthur W. Beaman
(British Repr.

TO DIAMOND BUYERS:

No Diamond Sale has ever been held comparable to the sale described in the enclosures. The entire proceeds from the sale of 6000 carats and more, go exclusively for the resettlement and rehabilitation of those most unfortunate people,- the homeless refugees in Europe.

These Diamonds are part of the loot the Nazis stole from individuals, which loot in turn was seized by the Allied armies when they conquered Germany. The property seized, including these Diamonds, was turned over to the International Refugee Organization, a branch of the United Nations, by the Allied Powers, with instructions that the property be sold and the proceeds used to resettle and rehabilitate people who were the victims of Nazi aggression, and unable to return to their place of origin.

The I.R.O. asked a group of U.S. citizens to aid in the disposal of this property and the Committee described above was formed. All members donate their services. No one receives a penny of profit from this sale.

Because of the great humanitarian purpose to which the proceeds of this sale will go, it is the Committee's hope that bidders will make bids based not on the least amount of money that each lot may be worth, but on a basis that represents the maximum price that can be paid for each lot.

Thank you for your help.

MERCHANDISING ADVISORY
COMMITTEE

R.C. KRAMER
Chairman

320470

PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

STATEMENT OF TERMS AND CONDITIONS
RELATING TO
PUBLIC INVITATION FOR BIDS FOR THE PURCHASE OF
DIAMONDS

The Merchandising Advisory Committee to the Preparatory Commission for the International Refugee Organization has invited bids for the purchase of certain lots of diamonds as more fully described in the inventory annexed and made a part hereof.

The diamonds for which bids are invited are a part of a vast quantity of valuable personal property taken by the Nazis from their victims and recovered by the Allied Armies in Germany and Austria. Under Article 8 of Part One of the Final Act of the Paris Conference on Reparations and the Five-Power Agreement of June 14, 1946, that portion of the recovered property which was not identifiable either as to individual ownership or national origin, was ordered transferred to the Preparatory Commission for the International Refugee Organization (PCIRO) to be liquidated and the entire net proceeds used for the rehabilitation and resettlement of non-repatriable victims of Nazi action. Upon completion of the transfer of the property from the Armies to the PCIRO, it was shipped to the United States. To effect the liquidation, the Merchandising Advisory Committee, a voluntary board, was established and the present sale is held by its direction.

For the benefit of prospective bidders, there are enclosed the following:

- a) Detailed Inventory of the property to be sold.
- b) A form to be mailed by persons interested who wish to inspect the diamonds, on which should be indicated the types in which they are interested. Please mail this form to the addressee indicated at the earliest possible time.
- c) The Form of Bid to be used by bidders in offering to purchase the diamonds described in the lots in the inventory.

Persons mailing the form referred to in (b) above will be notified of the time which will be reserved for them for inspection of the diamonds at Manhattan Headquarters of the United Nations, 405 East 42nd Street, New York City.

Sale of the property for which bids are invited shall be subject

320471

to the following terms and conditions:

1. FORM AND CONTENTS OF BID

Each bid must be for the purchase of one or more lots as described in the Inventory, provided, however, that a bid for more than one lot must specify the amount bid for each lot. Bids submitted for more than one lot will be considered as separate bids for each lot. Lot bids must be for an entire lot and not for a part thereof. All bids must be executed in duplicate by the bidder on the Form of Bid prepared by the Merchandising Advisory Committee. Each bid shall specify the exact price per carat and the approximate total price offered for each of the lots bid for. All bids must be delivered to the office of the Merchandising Advisory Committee, 119 West 40th Street, New York 18, N.Y., before 11 o'clock A.M. Eastern Daylight Saving Time, Tuesday, September 14, 1948, (or at such later hour on said day or at such hour on such later day as may be fixed by the Committee) enclosed in a sealed envelope with return address indicated, and addressed as follows: "PCIRO-Merchandising Advisory Committee, 119 West 40 Street, New York 18, New York - Confidential - Sealed bid, bid opening September 15, 1948." The Committee reserves the right in its discretion to postpone without notice, from time to time, the day or hour for such delivery or opening of bids.

2. DEPOSIT OF CHECK WITH BID

Each bid must be accompanied by a certified, cashier's or banker's check or money order, in an amount equal to at least 20% of the total amount specified in said bid for the purchase of the lot or lots designated, payable to the order of the "PCIRO-MERCHANDISING ADVISORY COMMITTEE."

3. OPENING AND ACCEPTANCE OR REJECTION OF BIDS

All bids will be opened publicly at the office of the Merchandising Advisory Committee, 119 West 40 Street, New York 18, New York, in the presence of two or more designated persons, at 11 o'clock A.M., Eastern Daylight Saving Time on September 15, 1948, (or at such later hour on said day or at such hour on such later day as may be fixed by the Committee.) Each bidder may be present at the opening of the bids. Within one week from the date of the opening of the bids, the Committee will make the award to the highest bidder for each lot or will reject all bids for such lot. Each bid shall constitute an irrevocable offer to purchase until such time as an award is made or the bids are rejected.

320472

If two or more identical bids are received for any lot, the Committee will give the makers of such bids an opportunity within a time to be fixed by the Committee (but not beyond 5 P.M. on said day or such later day) to improve their bids. If two or more identical bids are again received for such lot, the Committee may accept any such bid without liability to any other bidder. The successful bidder will be notified in writing of the award and the notification will contain a statement of the time and place of delivery of the property purchased and for payment of the purchase price.

The Committee reserves the right (a) to revoke this invitation at any time before opening bids; (b) to return all bids unopened either at or prior to the time specified for the opening of such bids; and (c) to reject any or all bids after the opening thereof (irrespective of price named therein.) If a bid is rejected as to all lots specified therein, the check or checks deposited with such bid will be returned to the bidder. If a bid is accepted as to any lot or lots specified therein, the check or checks deposited therewith or the monies represented thereby will be retained by the Committee and applied to the payment of the purchase price of the lot or lots for which the bid of such bidder is accepted, and any excess of the amount so deposited over the purchase price of the lot or lots for which such bid is accepted will be returned to the bidder at the time of notification of the award.

Promptly after the acceptance of any bid for any lot or lots, the official weight of the diamonds in each such lot will be determined by Diamond Center, Inc. and the total price for such lot will be the bid price per carat multiplied by the weight so determined. The successful bidder will be required to pay for and to take delivery of the property purchased at his own expense on 48 hours' notice given promptly after such determination of the official weight. In the event that the successful bidder refuses or for any reason fails to make good his bid, the entire amount deposited with his bid shall be considered by the parties as the quantum of damages suffered by the Committee by reason of the bidder's failure to perform, and it is agreed by the bidder and the Committee that in such event the deposit shall be retained by the Committee as liquidated damages. In such event, the bidder shall have no right, title or interest in the property or the proceeds thereof and the Committee shall have the right again to offer and sell the property.

4. DELIVERY AND TRANSFER OF PROPERTY

Delivery of the property will be made "as is" and "where located" at the time and place indicated in the notice above referred to. Transfer of the property to the successful bidder will be made by Bill of Sale without any warranties, express or implied. No commissions of any kind will be paid by the Committee.

5. WARRANTIES

The property will be sold and delivered "as is" and "where located", with no representations, warranties or guaranties, express or implied, of any kind, including without limitation, any representations, warranties or guaranties as to the accuracy of the description of the property, its condition, value, quality or quantity thereof, its fitness for use or otherwise. No representative or agent of the Committee or of the Preparatory Commission for the International Refugee Organization is authorized to make any warranty or guaranty, express or implied, and neither the Committee nor the Preparatory Commission for the International Refugee Organization nor any of their representatives or agents shall be held or admitted to have made any representation, warranty or guaranty, express or implied, respecting or in any way concerning the property herein offered for sale.

6. APPLICABLE REGULATIONS, LAWS AND ORDINANCES

This sale is subject to all applicable regulations and orders of government departments or agencies, and is also subject to all applicable Federal, State and Municipal laws and ordinances.

Unless the purchase is for resale, the buyer will be required to pay the twenty per cent. Federal Excise Tax, and unless exempt from the payment thereof, the buyer will also be required to pay the two per cent. New York City sales tax, on each lot purchased at the time of delivery.

PCIRO-MERCHANDISING ADVISORY COMMITTEE

R. C. KRAMER, CHAIRMAN

August 2, 1948

320474

PREPARATORY COMMISSION
For The
INTERNATIONAL REFUGEE ORGANIZATION

INVENTORY OF DIAMONDS OFFERED FOR SALE

<u>LOT NUMBER</u>	<u>NUMBER OF STONES</u>	<u>APPROXIMATE WEIGHT (CARATS)</u>
<u>Solitaires</u>		
1	1	5.05
2	2	2.00
3	1	2.13
4	1	2.29
5	1	4.12
6	2	2.60
7	2	3.61
8	2	2.85
9	1	4.46
10	2	3.04
11	3	7.62
12	1	2.45
13	2	2.90
14	1	3.48
15	1	2.16
16	1	2.00
17	1	9.26
18	1	5.59
19	1	2.76
20	1	2.77
21	1	2.83
22	1	3.23
23	1	3.28
24	1	3.63
25	1	2.96
26	1	1.73
27	1	3.42
28	1	2.04
29	1	2.97
30	1	1.65

320475

2.

<u>LOT NUMBER</u>	<u>NUMBER OF STONES</u>	<u>APPROXIMATE WEIGHT (CARATS)</u>
<u>Solitaires</u>		
31	1	3.86
32	1	1.89
33	1	5.09
34	1	2.24
35	1	2.47
36	1	2.56
37	1	2.56
38	1	2.56
39	1	3.20
40	1	2.56
41	1	1.95
42	1	2.12
43	1	1.50
44	1	1.65
45	1	1.30
46	1	2.75
47	1	2.69
48	1	1.95
49	1	2.26
50	1	3.05
51	1	2.02
52	1	2.93
53	1	2.75
54	1	1.73
55	1	2.12
<u>ROUND-FIRST GROUP</u>		
56	8	7.28
57	5	5.27
58	5	6.02
59	7	5.73
60	6	4.79
61	5	3.88
62	8	4.99
63	14	7.71
64	37	13.80
65	47	15.39

320476

3.

<u>LOT NUMBER</u>	<u>NUMBER OF STONES</u>	<u>APPROXIMATE WEIGHT (CARATS)</u>
<u>ROUND-FIRST GROUP</u>		
66	47	15.45
67	13	9.46
68	19	9.85
69	20	7.11
70	82	12.52
71	146	14.49
72	238	15.85
73	141	6.70
74	632	20.26
<u>ROUND-SECOND GROUP</u>		
75	38	11.03
76	40	11.91
77	101	20.80
78	133	25.69
79	226	27.59
80	191	22.49
81	4	4.77
82	2	2.78
83	7	5.20
84	4	4.97
85	10	7.80
86	9	6.72
87	13	10.18
88	11	8.83
89	16	8.86
90	8	4.10
91	25	10.54
92	30	12.72
93	33	13.92
94	786	41.72
95	7	5.48
96	24	10.58
97	20	6.17
<u>ROUND-THIRD GROUP</u>		
98	4	6.09
99	5	5.44
100	14	10.78

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4.

<u>LOT NUMBER</u>	<u>NUMBER OF STONES</u>	<u>APPROXIMATE WEIGHT (CARATS)</u>
-----------------------	-----------------------------	--

ROUND-THIRD GROUP

101	21	6.27
102	42	21.61
103	75	25.95
104	156	36.87
105	168	21.85
106	162	20.70
107	231	16.32
108	299	9.90
109	9	6.77
110	14	6.48
111	639	89.93

NAATS

112	12	4.88
113	7	12.05
114	14	12.27

ROUND FLATS

115	22	8.52
116		66.08
117	117	19.73

HALF-ROUND-FIRST GROUP

118	10	8.04
119	9	6.82
120	20	9.61
121	73	18.45
122	67	16.80
123	150	27.60
124	208	25.22
125	317	32.07
126	352	27.27
127	633	35.70
128	692	23.97
129	159	35.05

320478

5.

<u>LOT NUMBER</u>	<u>NUMBER OF STONES</u>	<u>APPROXIMATE WEIGHT (CARATS)</u>
<u>HALF-ROUND-SECOND GROUP</u>		
130	3	3.35
131	10	8.57
132	29	18.20
133	57	26.15
134	50	14.15
135	57	16.60
136	136	25.73
137	111	21.95
138	317	21.25
139	84	11.10
140	86	11.67
141	184	20.77
142	226	19.90
143	198	13.52
144	408	15.15
<u>HALF-ROUND-THIRD GROUP</u>		
145	12	8.85
146	11	6.05
147	14	8.02
148	52	17.85
149	149	30.27
150	194	23.16
151	226	16.71
152	386	14.63
<u>OLD MINERS-FIRST GROUP</u>		
153	5	9.30
154	10	11.53
155	52	34.00
156	17	8.08
157	30	11.78
158	124	28.92
159	107	16.38
160	145	14.00
161	32	14.90

320479

6.

<u>LOT NUMBER</u>	<u>NUMBER OF STONES</u>	<u>APPROXIMATE WEIGHT (CARATS)</u>
<u>OLD MINERS-SECOND GROUP</u>		
162	32	21.37
163	78	27.34
164	312	37.63
165	15	10.43
166	3	5.25
<u>OLD MINERS-THIRD GROUP</u>		
167	75	28.15
168	5	6.58
169	(Smalls)	27.76
<u>N R (OLD MINERS)</u>		
170		77.78
171		130.35
<u>SINGLE CUT-FIRST GROUP</u>		
172	2890	20.35
173	1671	21.89
174	1487	28.37
175	623	17.72
176	268	11.37
<u>SINGLE CUT-SECOND GROUP</u>		
177	1171	15.83
178	732	23.20
<u>SINGLE CUT-THIRD GROUP</u>		
179	1510	24.47
180	523	19.40
<u>MISCELLANEOUS</u>		
181	Burned Stones	1.80
182	Rough 1/2 fin.	23.85
183	Dia. Pow.	15.35

320480

7.

<u>LOT NUMBER</u>	<u>NUMBER OF STONES</u>	<u>APPROXIMATE WEIGHT (CARATS)</u>
<u>ROSES-FIRST GROUP</u>		
184	86	84.88
185	71	64.45
186		73.37
187	Small	63.30
188	Med.	192.46
<u>ROSES-SECOND GROUP</u>		
189	75	48.40
190		299.25
191		205.10
<u>ROSES-THIRD GROUP</u>		
192		396.70
193		407.29
194		418.80
195		389.64
196		407.86
197		17.95
<u>ROSES-BROWN</u>		
198		207.02
199		366.00
200		462.88
201		277.43
202		401.90

320481

PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

FORM OF BID
FOR THE PURCHASE OF
DIAMONDS

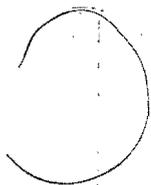
DATE _____

PCIRO-Merchandising Advisory Committee
119 West 40th Street
New York 18, N.Y.

Referring to the invitation for bids for the purchase from you of certain lots of diamonds, as more fully described in the Inventory annexed to the Statement of Terms and Conditions, and in accordance with and subject to the Statement of Terms and Conditions, dated August 2, 1948, relating to Public Invitation for Bids for the purchase of said diamonds:

1. The undersigned hereby offers and agrees to pay for the lot or lots designated the sum or sums indicated in the appropriate spaces:

<u>LOT NUMBER</u>	<u>PER CARAT</u>	<u>APPROXIMATE WEIGHT IN CARATS</u>	<u>APPROXIMATE TOTAL PRICE</u>
<u>SOLITAIRES</u>			
1	\$ _____	5.05	\$ _____
2	_____	2.00	_____
3	_____	2.13	_____
4	_____	2.29	_____
5	_____	4.12	_____
6	_____	2.60	_____
7	_____	3.61	_____
8	_____	2.85	_____
9	_____	4.46	_____
10	_____	3.04	_____
11	_____	7.62	_____
12	_____	2.45	_____
13	_____	2.90	_____
14	_____	3.48	_____
15	_____	2.16	_____
16	_____	2.00	_____
17	_____	9.26	_____
18	_____	5.59	_____
19	_____	2.76	_____
20	_____	2.77	_____



SOLITAIRES

21	_____	2.83	_____
22	_____	3.23	_____
23	_____	3.28	_____
24	_____	3.63	_____
25	_____	2.96	_____
26	_____	1.73	_____
27	_____	3.42	_____
28	_____	2.04	_____
29	_____	2.97	_____
30	_____	1.65	_____
31	_____	3.86	_____
32	_____	1.89	_____
33	_____	5.09	_____
34	_____	2.24	_____
35	_____	2.47	_____
36	_____	2.56	_____
37	_____	2.56	_____
38	_____	2.56	_____
39	_____	3.20	_____
40	_____	2.56	_____
41	_____	1.95	_____
42	_____	2.12	_____
43	_____	1.50	_____
44	_____	1.65	_____
45	_____	1.30	_____
46	_____	2.75	_____
47	_____	2.69	_____
48	_____	1.95	_____
49	_____	2.26	_____
50	_____	3.05	_____
51	_____	2.02	_____
52	_____	2.93	_____
53	_____	2.75	_____
54	_____	1.73	_____
55	_____	2.12	_____

ROUND-FIRST GROUP

56	_____	7.28	_____
57	_____	5.27	_____
58	_____	6.02	_____
59	_____	5.73	_____
60	_____	4.79	_____

ROUND-FIRST GROUP

61	\$ _____	3.88	\$ _____
62	_____	4.99	_____
63	_____	7.71	_____
64	_____	13.80	_____
65	_____	15.39	_____
66	_____	15.45	_____
67	_____	9.46	_____
68	_____	9.85	_____
69	_____	7.11	_____
70	_____	12.52	_____
71	_____	14.49	_____
72	_____	15.85	_____
73	_____	6.70	_____
74	_____	20.26	_____

ROUND-SECOND GROUP

75	_____	11.03	_____
76	_____	11.91	_____
77	_____	20.80	_____
78	_____	25.69	_____
79	_____	27.59	_____
80	_____	22.49	_____
81	_____	4.77	_____
82	_____	2.78	_____
83	_____	5.20	_____
84	_____	4.97	_____
85	_____	7.80	_____
86	_____	6.72	_____
87	_____	10.18	_____
88	_____	8.83	_____
89	_____	8.86	_____
90	_____	4.10	_____
91	_____	10.54	_____
92	_____	12.72	_____
93	_____	13.92	_____
94	_____	41.72	_____
95	_____	5.48	_____
96	_____	10.58	_____
97	_____	6.17	_____

ROUND-THIRD GROUP

98	\$ _____	6.09	\$ _____
99	_____	5.44	_____
100	_____	10.78	_____
101	_____	6.27	_____
102	_____	21.61	_____
103	_____	25.95	_____
104	_____	36.87	_____
105	_____	21.85	_____
106	_____	20.70	_____
107	_____	16.32	_____
108	_____	9.90	_____
109	_____	6.77	_____
110	_____	6.48	_____
111	_____	89.93	_____

NAATS

112	_____	4.88	_____
113	_____	12.05	_____
114	_____	12.27	_____

ROUND FLATS

115	_____	8.52	_____
116	_____	66.08	_____
117	_____	19.73	_____

HALF ROUND-FIRST GROUP

118	_____	8.04	_____
119	_____	6.82	_____
120	_____	9.61	_____
121	_____	18.45	_____
122	_____	16.80	_____
123	_____	27.30	_____
124	_____	25.22	_____
125	_____	32.07	_____
126	_____	27.27	_____
127	_____	35.70	_____
128	_____	23.97	_____
129	_____	35.05	_____

HALF ROUND-SECOND GROUP

130	\$-----	3.35	\$-----
131	-----	8.57	-----
132	-----	18.20	-----
133	-----	26.15	-----
134	-----	14.15	-----
135	-----	16.60	-----
136	-----	25.73	-----
137	-----	21.95	-----
138	-----	21.25	-----
139	-----	11.10	-----
140	-----	11.67	-----
141	-----	20.77	-----
142	-----	19.90	-----
143	-----	13.52	-----
144	-----	15.15	-----

HALF-ROUND-THIRD GROUP

145	-----	8.85	-----
146	-----	6.05	-----
147	-----	8.02	-----
148	-----	17.85	-----
149	-----	30.27	-----
150	-----	23.16	-----
151	-----	16.71	-----
152	-----	14.63	-----

OLD MINERS-FIRST GROUP

153	-----	9.30	-----
154	-----	11.53	-----
155	-----	34.00	-----
156	-----	8.08	-----
157	-----	11.78	-----
158	-----	28.92	-----
159	-----	16.38	-----
160	-----	14.00	-----
161	-----	14.90	-----

OLD MINERS-SECOND GROUP

162	\$ _____	21.37	\$ _____
163	_____	27.34	_____
164	_____	37.63	_____
165	_____	10.43	_____
166	_____	5.25	_____

OLD MINERS-THIRD GROUP

167	_____	28.15	_____
168	_____	6.58	_____
169	_____	27.76	_____

N R (OLD MINERS)

170	_____	77.78	_____
171	_____	130.35	_____

SINGLE CUT-FIRST GROUP

172	_____	20.35	_____
173	_____	21.89	_____
174	_____	28.37	_____
175	_____	17.72	_____
176	_____	11.37	_____

SINGLE CUT*SECOND GROUP

177	_____	15.83	_____
178	_____	23.20	_____

SINGLE CUT-THIRD GROUP

179	_____	24.47	_____
180	_____	19.40	_____

MISCELLANEOUS

181	_____	1.80	_____
182	_____	23.35	_____
183	_____	15.35	_____

ROSES-FIRST GROUP

184	_____	84.88	_____
185	_____	64.45	_____
186	_____	73.37	_____
187	_____	63.30	_____
188	_____	192.46	_____

ROSES-SECOND GROUP

189	_____	48.40	_____
190	_____	299.25	_____
191	_____	205.10	_____

ROSES-THIRD GROUP

192	_____	396.70	_____
193	_____	407.29	_____
194	_____	418.80	_____
195	_____	389.64	_____
196	_____	407.86	_____
197	_____	17.95	_____

ROSES-BROWN

198	_____	207.02	_____
199	_____	366.00	_____
200	_____	462.88	_____
201	_____	277.43	_____
202	_____	401.90	_____

TOTAL AMOUNT:- \$

2. A certified, cashier's or banker's check or money order for _____, payable to your order, is enclosed. Said check represents the deposit, by or on behalf of the undersigned, of an amount equal to 20% of the total amount specified above. The amount so deposited by the undersigned shall be held by you as security for the faithful performance by the undersigned of his obligation hereunder. Upon acceptance hereof as to any lot or lots, and upon the delivery of the property to the undersigned, the amount so deposited shall be applied by you to the payment of the purchase price for such lots. The excess, if any, of the amount so deposited in excess of such purchase price shall be returned to the undersigned at the time notification of acceptance is given. If this offer shall be rejected by you in its entirety, you shall return the amount of such deposit without interest to the undersigned. In the event that the undersigned shall fail or refuse, after your acceptance hereof, to pay the balance of the purchase price, the entire amount deposited with the bid of the undersigned shall be considered as the quantum of damages suffered by the Committee by reason of the undersigned's failure to perform, and the deposit made by the undersigned shall become your property as liquidated damages.

3. Upon acceptance hereof as to any lot or lots, the official weight of the diamonds in each such lot will be determined by Diamond Center, Inc., and the total purchase price for such lot will be the bid price per carat above set forth, multiplied by the weight so determined. The undersigned shall be

bound to pay the purchase price for each such lot as so calculated even though the same shall be in excess of the approximate total price for such lot hereinabove set forth.

4. This offer shall be irrevocable until it is accepted or rejected in the manner provided in the Statement of Terms and Conditions. If this offer be accepted by you, you shall so advise the undersigned in writing and your acceptance so given shall constitute this instrument an agreement between us.

5. In the event that at any time prior to the date of the notification of award of the property to the undersigned, there shall have been a substantial loss of or damage to the property as a result of fire, flood, theft or other casualty, the undersigned shall be entitled to elect not to proceed with the purchase hereunder, in which event the deposit made hereunder shall be returned to the undersigned.

6. In the event of such acceptance by you of this offer, and payment by the undersigned of the full purchase price, there will be delivered to the undersigned by you a Bill of Sale for said property without warranties, express or implied.

7. It is understood that said property will be sold and delivered "as is" and "where located" and no representations, warranties or guaranties, express or implied, of any kind, have been made to the undersigned by or on behalf of the Committee or the Preparatory Commission for the International Refugee Organization relative to the property, including without limitation, any representations, warranties, or guaranties as to the accuracy of the description of the property, its condition or value, quality or quantity thereof, its fitness for use or otherwise.

8. Unless the purchase is for resale, the undersigned will pay the twenty per cent. Federal Excise Tax, and unless exempt from the payment thereof, will also pay the two per cent. New York City sales tax, on each lot purchased by the undersigned at the time of delivery.

9. All notices and communications from the Committee to the undersigned may be transmitted by depositing the same in a post office, or post office box, in a sealed envelope addressed to the undersigned at the address furnished herein by the undersigned, and any such notice or communication shall be considered effective upon such deposit.

10. It is agreed that this offer (or upon acceptance, this agreement) shall not be assigned without your consent. It is also agreed that this offer (or upon acceptance, this agreement) shall be binding upon the heirs, executors, administrators and successors of the undersigned.

Yours very truly,

Address:

DATE _____

PCIRO-Merchandising Advisory Committee
119 West 40th Street
New York 18, N.Y.

Dear Sirs:

I desire to inspect the following classes of diamonds being offered for sale by the Merchandising Advisory Committee to the PCIRO (classes to be marked with 'X'):

Solitaires	_____
Round diamonds	_____
Half-round diamonds	_____
Old-Miner diamonds	_____
Single-cut diamonds	_____
Rose diamonds	_____

Please notify me the date and hour of my appointment to inspect the categories marked.

Yours very truly,

Address: _____

320490

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

August 2, 1948

TO THE COMMITTEE:

Submitted herewith is a financial report of the Committee as at July 31, 1948:

CASH BALANCE (6-30-48) \$43,193.25

CASH RECEIVED

Parke-Bernet Sales-Net proceeds	158,433.17
Sale Gold Leaf	130.00
Deposit on Bulk Silver Sale	25,000.00
Partial Payment Sofia Sale	27,500.00
Sale of Rings (Unsold at Sofia Sale)	<u>1,455.00</u>
TOTAL CASH	255,711.42

CASH DISBURSED

Salaries	415.94	
Office Expense	<u>202.63</u>	<u>618.57</u>

255,092.85

Remission to PCIRO 200,000.00

CASH BALANCE 7-31-48 \$ 55,092.85

Cumulative Remissions--PCIRO to 7-31-48 \$300,000.00

There have been no unusual developments since my last letter.

R. C. KRAMER

320491

WTR

50c PER COPY

PUBLIC AUCTION SALE

Without Restriction or Reserve
By Order of
Merchandising Advisory Committee to the
Preparatory Commission for the
International Refugee Organization of the United Nations

John J. R. O.
March 1948
Am

Antique and Modern Gold Jewelry; Antique and Continental Silverware; Meissen, Dresden, Rosenthal, Old Vienna, Herrend, and English Porcelains, Figurines and Chinaware; Clocks; Bronzes; Opera Glasses; Compasses; Bohemian Glassware; Costume Jewelry; Paintings, Etc.

To be sold at
SOFIA BROTHERS WAREHOUSE
45 Columbus Avenue, Cor. 61st Street, N. Y. C.

EXHIBITION: July 19th and 20th

9:30 A.M. to 4:30 P.M.

SALE: July 21st and 22nd

Beginning at 10:30 A.M. each day

Goods will not be displayed on days of sale
and will be sold from Catalog only

Sale conducted by
LOREE - GREEN CORPORATION
345 MADISON AVENUE, N. Y. C.

Warehouse Phone: CI 7-6711

Office Phone: LE 2-1170

CONDITIONS OF SALE

[1]

The highest bidder to be the Buyer, and if any dispute arise between two or more bidders, the lot so in dispute shall be immediately put up again and resold.

[2]

The purchasers to give their names and addresses and to pay down a cash deposit, or the whole of the purchase money, if required, in default of which the lot or lots so purchased to be immediately put up again and resold.

[3]

The lots to be taken away at the buyer's expense and risk upon the conclusion of the sale, and the remainder of the purchase money to be absolutely paid or otherwise settled for to the satisfaction of the Auctioneer, on or before delivery; in default of which the undersigned will not hold themselves responsible if the lots be lost, damaged or destroyed, but they will be left at the sole risk of the purchaser.

[4]

The lots to be taken away and paid for, whether genuine or authentic or not, with all faults and errors of description, at the buyer's expense and risk, within Two Days from the purchase; if they are not removed in this time, the purchase may be cancelled at discretion of Auctioneer.

[5]

Unless exempt from the payment thereof, the buyer will also be required to pay the New York City sales tax of 2 per centum of the price for which all articles are sold.

Lots * subject to 20% Federal Excise Tax

LOREE-GREEN CORPORATION

Auctioneers and Appraisers

First Day's Sale, July 21, 1948

China, Glassware, Silver, etc.

GOODS WILL NOT BE DISPLAYED AT SALE AND WILL BE SOLD FROM CATALOGUE ONLY

Lots * subject to 20% Federal Excise Tax

Table No. 1

Lot No.

- 1 Lot of assorted cut glass, consisting of vases, saucers and small bowls, approximately 22 pieces
- 2 Miscellaneous lot of Continental china, consisting of platters, soup and tea plates, cups, saucers, tea pots, etc., approximately 110 pieces
- 3 Miscellaneous lot of cut and pressed glass bowls, platters, cruets, tumblers, wines and vases, approximately 70 pieces
- 4 Lot of assorted Continental china comprising of platters, tea, bread and butter plates, sauce dishes, vegetable bowls, gravy bowls, etc., approximately 95 pieces
- 5 Lot of assorted glassware consisting of decanters, tumblers, wines, fruit juice and cordial glasses, approximately 100 pieces
- 6 Lot of assorted cups and saucers, including antique Meissen cup, approximately 60 pieces

Table No. 2

- 7 Lot of cut and pressed glass, comprising of bowls, sauce dishes and vases, approximately 15 pieces
- 8 Lot of Oriental covered boxes and one cloisonne jar, 9 pieces
- 9 Lot of assorted Ansbach cups, Schlaggenwald cups and saucers, and other miscellaneous blue and white and gold decorated china, approximately 36 pieces
- 10 Lot of assorted cut crystal consisting of decanter, pitcher, goblets, wines, champagnes, fruit juice and cordial glasses, approximately 140 pieces
- 11 Lot of assorted Continental cups and saucers, platters; two gravy ladles, approximately 80 pieces
- 12 Lot of assorted glass, consisting of luster bowl, cut glass tray and bowls, approximately 9 pieces
- 13 Lot of assorted china consisting of berry set, bowls, trays, and covered dish, approximately 12 pieces
- 14 Lot of assorted Bohemian glass vases, trays and small bowls, approximately 9 pieces
- 15 Lot of assorted Continental china, consisting of dinner, soup, luncheon, bread and butter plates, cups, saucers, vegetable dishes and platters, approximately 140 pieces

Table No. 3

- 16 Lot of assorted Continental china, comprising dinner and soup plates, vegetable dishes, platters, gravy boats, approximately 98 pieces
- 17 Lot of assorted cut glass, consisting of bowls, trays, etc., approximately 12 pieces
- 18 Lot of assorted Continental china, consisting of dinner, soup, luncheon, bread and butter plates, platters and covered vegetable dish, approximately 75 pieces
- 19 Lot of assorted gold and decorated Oriental china, comprising tea pots, bowls, cups and saucers, trays and plates, approximately 200 pieces

Table No. 4

Lot No.

- 20 Lot of assorted blue and white Continental china, consisting of dinner, soup, luncheon and tea plates, vegetable dishes, platters, cups and saucers, demitasse cups, etc., approximately 150 pieces
- *21 Lot of assorted silver mounted crystal articles, 7 pieces
- 22 Lot of assorted cut glass trays, bowls and vases, approximately 11 pieces
- 23 Lot of assorted sizes Oriental vases, approximately 24 pieces
- 24 Lot of miscellaneous Continental china consisting of soup, dinner, tea, bread and butter plates, covered vegetable dishes, platters, cups and saucers, approximately 210 pieces

Table No. 5

- *25 Lot of silver mounted inkwells, decanters and dishes, approximately 10 pieces
- 26 Lot of assorted Oriental vases, incense burners, pots, etc., approximately 14 pieces
- *27 Lot of silver mounted and crystal decanters, compotes, tray and covered dishes, approximately 9 pieces
- 28 Lot of assorted blue and white Continental china consisting of liners, demitasse cups and saucers, approximately 48 pieces
- *29 Lot of silver mounted vases, perfume bottles, covered dish and holders, approximately 10 pieces
- 30 Lot of assorted Continental china trays, approximately 20 pieces
- 31 Lot of assorted cut and pressed glass trays, bowls, four piece toilet set with tray, approximately 10 pieces
- 32 Lot of assorted Oriental vases and figurines, approximately 17 pieces
- 33 Lot of assorted cut and pressed glass trays, bowls, vases, cruets and pitchers, approximately 14 pieces
- 34 Lot of four assorted gold and decorated Continental china pieces
- *35 Lot of silver mounted crystal articles consisting of compotes, decanter, bowls and vase, approximately 7 pieces
- 36 Lot of assorted Oriental china tea sets, approximately 90 pieces
- 37 Lot of assorted cut glass ash receivers, trays and bowls, approximately 12 pieces
- 38 Lot of assorted Continental china, consisting of dinner, soup and tea plates, vegetable dishes, approximately 60 pieces
- 39 Lot of assorted cut glass consisting of bowls and sauce dishes, approximately 15 pieces

Lot No.		Lot No.	
*952	Lot of 2 gold pins	*1013	Lot of 3 cameo pins
*953	Lot of 2 enamel lockets	*1014	Lot of 2 carved cameos
*954	Gold charm with miniature insert	*1015	Lot of 2 carved cameo pins
*955	Lot of 2 pearl and enamel pins	*1016	Lot of 2 carved cameo pins
*956	Lot of 2 assorted lockets	*1017	Lot, cameo locket and 2 pins, 3 pieces
*957	Antique gold and amethyst bar pin	*1018	Lot of 3 carved cameo pins
*958	Lot turquoise hair pin, bird design and bar pin	*1019	Lot of 3 carved cameo pins
*959	Lot of 2 assorted topaz pins	*1020	Lot of carved lava pin and cameo locket
*960	Lot of 2 pins and lavalier	*1021	Lot of 3 carved cameo pins
*961	Gold and sapphire card case	*1022	Lot of 2 carved cameo pins
*962	Antique gold and enamel bar pin	*1023	Lot of 3 carved cameo pins
*963	Lot of 2 gold and amethyst charms	*1024	Lot of 3 carved cameo pins
*964	Lot of 2 antique pins	*1025	Lot gold cameo pin and locket, 2 pieces
*965	Lot of 2 gold chains	*1026	Lot 2 gold carved cameo pins
*966	Lot of 2 antique pins	*1027	Lot 2 gold, onyx carved cameo pins
*967	Lot of 3 miniature pins	*1028	Lot 2 gold carved cameo pins
*968	Lot of 2 assorted miniature pins	*1029	Lot of 3 gold and carved cameo pins
*969	Lot of 3 assorted miniature brooches	*1030	Lot of 5 assorted gold lavalieres
*970	Miniature brooch	*1031	Lot of 5 assorted gold lavalieres
*971	Lot of 3 assorted miniature pins and locket	*1032	Lot of 5 assorted gold lavalieres
*972	Lot of 2 miniature locket and pin	*1033	Lot of 5 assorted gold lavalieres
*973	Lot of 2 mosaic pins	*1034	Lot of 5 assorted gold lavalieres
*974	Lot of 2 gold and carved cameos	*1035	Lot of 5 assorted gold lavalieres
*975	Lot of 3 gold pieces, cameo locket, lavalier, and rose diamond and enamel watch back	*1036	Lot of 4 pairs of gold earrings
*976	Lot of 3 assorted carved cameo pins and locket	*1037	Lot of 4 pairs of gold earrings
*977	Lot of 2 assorted carved cameo pins	*1038	Lot of 4 pairs of gold earrings
*977A	Lot of 2 assorted carved cameo pins, one as-is studded with onyx, ruby and diamond	*1039	Lot of 4 pairs of gold earrings
*978	Lot of 2 assorted carved cameo pins	*1040	Lot of 4 pairs of gold earrings
*979	Lot of 2 carved cameo pins	*1041	Lot of 5 pairs of gold earrings
*980	Lot of 2 assorted carved cameo pins	*1042	Lot of 4 pairs of gold earrings
*981	Lot of 2 carved cameo pins	*1043	Lot of 4 pairs of gold earrings
*982	Antique chain bracelet and enamel clasp	*1044	Lot of 4 pairs of gold earrings
*983	Gold and enamel bracelet	*1045	Lot of 4 pairs of gold earrings
*984	Antique enamel necklace and pin to match	*1046	Lot of 4 pairs of gold earrings
*985	Tourmaline and pearl bracelet	*1047	Lot of 4 pairs of gold earrings
*986	Gold necklace with emerald and pearl drop	*1048	Lot of 4 pairs of gold earrings
*987	Lot of 2 gold bracelets, one with jade and the other studded with onyx, ruby and diamond	*1049	Lot of 4 pairs of gold earrings
*988	String of gold beads	*1050	Lot of 4 pairs of gold earrings
*989	Lot of 2 silver fobs	*1051	Lot of 4 pairs of gold earrings
*990	Lot of 2 antique pins	*1052	Lot of 4 pairs of gold earrings
*991	Lot of 2 pins and charm	*1053	Lot of 4 pairs of gold earrings
*992	Lot of 2 antique pins, one with turquoise and rose diamond and the other with coral	*1054	Two pairs assorted gold earrings
*993	Gold cornelian pin	*1055	Three sets of gold cuff buttons and studs
*994	Gold and topaz bow knot pin	*1056	Four pairs of gold cuff links
*995	Antique garnet and turquoise pin	*1057	Three pairs of gold cuff buttons
*996	Antique gold and enamel brooch	*1058	Four pairs of cuff buttons
*997	Gold pin with petite point insert	*1059	Two pairs of cuff links, set with diamonds
*998	Topaz and pearl brooch	*1060	Three pairs of assorted links
*999	Miniature pin with rose diamond eyes	*1060A	One pair crystal and diamond cuff links
*1000	Gold, diamond and enamel bar pin	*1061	Four pairs of assorted cuff buttons
*1001	Lot of 2 gold rings	*1062	One set of diamond studs and links
*1002	Lot of 2 gold rings	*1062A	Lot—1 pair gold links, studs and collar pin
*1003	Lot of 3 silver rings	*1062B	Two pairs of diamond studded links
*1004	Lot of 2 silver pins	*1063	Lot of 3 pairs assorted gold and diamond cuff links
*1005	Lot of 2 antique pins	*1064	Lot of 20 assorted ladies' gold rings
*1006	Gold frame for locket	*1065	Lot of 20 assorted ladies' gold rings
*1007	Silver and pearl pin	*1066	Lot of 20 assorted ladies' gold rings
*1008	Lot of 2 antique gold rings	*1067	Lot of 20 assorted ladies' gold rings
*1009	Gold antique brooch	*1068	Lot of 20 assorted ladies' gold rings
*1010	Lot of 3 gold cameo pins	*1069	Lot of 20 assorted ladies' gold rings
*1011	Lot of 3 gold cameo bar pins	*1070	Lot of 20 assorted ladies' gold rings
*1012	Lot of 2 carved cameo pins	*1071	Lot of 20 assorted ladies' gold rings
		*1072	Lot of 20 assorted ladies' gold rings
		*1073	Lot of 20 assorted ladies' gold rings
		*1074	Lot of 20 assorted ladies' gold rings
		*1075	Lot of 20 assorted ladies' gold rings

Lot No.		Lot No.	
*1076	Lot of 20 assorted ladies' gold rings	*1143	Gold cameo pin
*1077	Lot of 20 assorted ladies' gold rings	*1144	Old carved cameo in antique gold frame
*1078	Lot of 20 assorted ladies' gold rings	*1145	Gold cameo pin
*1079	Lot of 20 assorted ladies' gold rings	*1146	Gold cameo pin
*1080	Lot of 20 assorted ladies' gold rings	*1147	Gold cameo pin
*1081	Lot of 20 assorted ladies' gold rings	*1148	Gold cameo pin
*1082	Lot of 20 assorted ladies' gold rings	*1149	Gold cameo pin
*1083	Lot of 20 assorted ladies' gold rings	*1150	Gold cameo pin
*1084	Lot of 20 assorted ladies' gold rings	*1151	Cameo pin
*1085	Lot of 20 assorted ladies' gold rings	*1152	Lot of 20 assorted ladies' gold rings
*1086	Lot of 20 assorted ladies' gold rings	*1153	Lot of 20 assorted ladies' gold rings
*1087	Lot of 20 assorted ladies' gold rings	*1154	Lot of 20 assorted ladies' gold rings
*1088	Lot of 20 assorted ladies' gold rings	*1155	Lot of 20 assorted ladies' gold rings
*1089	Lot of 20 assorted ladies' gold rings	*1156	Lot of 20 assorted ladies' gold rings
*1090	Lot of 20 assorted ladies' gold rings	*1157	Lot of 20 assorted ladies' gold rings
*1091	Lot of 20 assorted ladies' gold rings	*1158	Lot of 20 assorted ladies' gold rings
*1092	Lot of 20 assorted ladies' gold rings	*1159	Lot of 20 assorted ladies' gold rings
*1093	Lot of 20 assorted ladies' gold rings	*1160	Lot of 20 assorted ladies' gold rings
*1094	Lot of 20 assorted ladies' gold rings	*1161	Lot of 20 assorted ladies' gold rings
*1096	Lot of 20 assorted ladies' gold rings	*1162	Lot of 20 assorted ladies' gold rings
*1097	Lot of 20 assorted ladies' gold rings	*1163	Lot of 20 assorted ladies' gold rings
*1098	Lot of 20 assorted ladies' gold rings	*1164	Lot of 20 assorted ladies' gold rings
*1099	Lot of 20 assorted ladies' gold rings	*1165	Lot of 20 assorted ladies' gold rings
*1100	Lot of 20 assorted ladies' gold rings	*1166	Lot of 6 assorted ladies' gold rings
*1101	Lot of 20 assorted ladies' gold rings	*1167	Lot of 20 assorted ladies' gold rings
*1102	Lot of 20 assorted ladies' gold rings	*1168	Lot of 20 assorted ladies' gold rings
*1103	Lot of 20 assorted ladies' gold rings	*1169	Lot of 20 assorted ladies' gold rings
*1104	Lot of 20 assorted ladies' gold rings	1170	Lot of assorted, unmounted, colored, imitation stones
*1105	Lot of 20 assorted ladies' gold rings	1171	Lot of assorted, unmounted, colored, imitation stones
*1106	Lot of 20 assorted ladies' gold rings	1172	Lot of assorted, unmounted, colored, imitation stones
*1107	Lot of 20 assorted ladies' gold rings	*1173	Lot of assorted imitation pearl necklaces
*1108	Lot of 20 assorted ladies' gold rings	1174	Lot of assorted, unmounted, imitation, colored stones
*1109	Lot of 20 assorted ladies' gold rings	1175	Lot of 15 assorted opera glasses
*1110	Lot of 20 assorted ladies' gold rings	1176	Lot of 15 assorted opera glasses
*1111	Lot of 20 assorted ladies' gold rings	1177	Lot of 25 assorted opera glasses
*1112	Lot of 20 assorted ladies' gold rings	1178	Lot of 25 assorted opera glasses
*1113	Lot of 20 assorted ladies' gold rings	1179	Lot of 25 assorted opera glasses
*1114	Lot of 20 assorted ladies' gold rings	1180	Lot of 25 assorted opera glasses
*1115	Lot of 20 assorted ladies' gold rings	*1181	Lot of assorted coral necklaces, etc.
*1116	Lot of 20 assorted ladies' gold rings	*1182	Lot of assorted necklaces, etc.
*1117	Lot of 20 assorted ladies' gold rings	*1183	Lot of assorted necklaces, etc.
*1118	Lot of 20 assorted ladies' gold rings	*1184	Lot of beaded necklace, etc.
*1119	Lot of 20 assorted ladies' gold rings	1185	Lot of assorted fountain pens
*1120	Lot of 20 assorted ladies' gold rings	1186	Lot of assorted pencils
*1121	Lot of 20 assorted ladies' gold rings	*1187	Lot of assorted amber beads, as-is
*1122	Lot of 20 assorted ladies' gold rings	*1188	Lot of assorted imitation pearl necklaces
*1123	Lot of 20 assorted ladies' gold rings	*1189	Bag of assorted imitation pearl necklaces
*1124	Lot of 20 assorted ladies' gold rings	*1190	Bag of imitation pearl necklaces, as-is
*1125	Lot of 20 assorted ladies' gold rings	1191	Lot of assorted magnifying glasses, about 110 pieces
*1126	Lot of 20 assorted ladies' gold rings	*1192	Lot of 12 assorted amber necklaces
*1127	Lot of 20 assorted ladies' gold rings	*1193	Lot of 12 assorted amber necklaces
*1128	Lot of 20 assorted ladies' gold rings	*1194	Lot of 12 assorted amber necklaces
*1129	Lot of 20 assorted ladies' gold rings	1195	Lot of assorted compasses
*1130	Lot of 20 assorted ladies' gold rings	*1196	Lot of assorted pins, etc.
*1131	Lot of 20 assorted ladies' gold rings	*1197	Lot of assorted pins, etc.
*1132	Lot of 20 assorted ladies' gold rings	*1198	Lot of 8 assorted bead necklaces
*1133	Lot of 20 assorted ladies' gold rings	*1199	Box of assorted bead necklaces, etc.
*1134	Lot of 20 assorted ladies' gold rings	1200	Hungarian barometer in mahogany frame
*1135	Lot of 14 assorted men's gold rings	*1201	Lot of assorted pins, lockets, etc., 20 pieces
*1136	Lot of 14 assorted men's gold rings	*1202	Lot of assorted pins, lockets, etc., 20 pieces
*1137	Gold cameo pin	*1203	Lot of 20 assorted lockets
*1138	Gold and pearl cameo pin	*1204	Lot of 20 assorted pins, etc.
*1139	Gold carved lava pin	*1205	Lot of 20 assorted pins, pendants, etc.
*1140	Lot of 2 carved cameo pins	*1206	Lot of 20 assorted pins, lockets, etc.
*1141	Gold cameo pin	*1207	Lot of 20 assorted pins, lockets, etc.
*1142	Gold cameo pin	*1208	Lot of 50 assorted pins

Lot No.
 *1209 Lot of 25 assorted amber necklaces, as-is, each bag complete necklace
 *1210 Lot of 25 assorted amber necklaces, as-is, each bag complete necklace
 *1211 Lot of 25 assorted amber necklaces, as-is, each bag complete necklace
 *1212 Lot of 25 assorted amber necklaces, as-is, each bag complete necklace
 *1213 Lot of 25 assorted amber necklaces, as-is, each bag complete necklace
 *1214 Lot of 18 amber necklaces, as-is, each bag contains complete necklace
 *1215 Lot of assorted pins, etc.
 1216 Lot of assorted unmounted imitation colored stones
 1217 Microscope, 160 mm 250 mm bildweite
 1218 Microscope, 160 mm 250 mm bildweite
 1219 Microscope, E. Leitz
 1220 Microscope, Steindorff, Berlin
 1221 Lot of 2 microscopes
 1222 Lot of 3 microscopes "Atco", D.R.G.M.
 1223 Microscopes, Hoyghens okulare
 1224 Lot of 3 assorted microscopes
 1225 Microscopes, Reichert Wien

Lot No.
 *1226 Pearl neck chain and onyx cross studded with pearl and rose diamonds
 *1227 Lot of silver and turquoise necklace and novelty necklace with imitation amethysts, 2 pieces
 *1228 Lot of 4 assorted bead necklaces
 *1229 Lot of 2 silver fobs
 *1230 Lot of 3 gold fobs
 *1231 Lot of 2 gold ribbon fobs
 *1232 Lot of 2 gold and crystal fobs
 *1233 Lot of 2 gold fobs
 *1234 Lot of 3 assorted gold fobs
 *1235 Lot of assorted 12 necklaces, earrings and bracelet
 *1236 Lot of 6 assorted chain necklaces
 *1237 Lot of 2 carved cameo pins
 *1238 Lot of 2 carved cameo pins
 *1239 Lot of 2 carved cameo pins
 *1240 Lot of 2 carved cameo pins
 *1241 Lot of 2 carved cameo pins
 *1242 Lot of 2 carved cameo pins
 *1243 Lot of 2 carved cameo pins
 *1244 Lot of 2 carved cameo pins
 *1245 Lot of 3 assorted carved cameo pins

GOODS WILL NOT BE DISPLAYED AT SALE AND WILL BE SOLD FROM CATALOGUE ONLY

File *Per JPO* *merch* *adv* *discussing* *com.* *WHD* *T.D.* *W.S. do* *PB* *FFG* *4*

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

~~MAIL~~
JUL 22 1948

JULY 20, 1948

TO THE COMMITTEE

Gentlemen:

In my letter of June 30, I mentioned that we were negotiating a substantial sale. That sale has just been consummated. I would have preferred to have the full Committee pass on it, however time was of the essence, the season made a quorum difficult to obtain and I was able to secure approval from Mr. Puckett and Mr. McKim, members of the Executive Committee. Mr. Kasper the other Executive Committee member is in Europe.

You will recall we have in excess of twenty tons of loose silver flatware. This is piled in wooden cases, unassorted, not marked, and in all kinds of patterns, condition and types. Every expert who has looked at it has recommended smelting it for silver value. Many tons were smelted in Europe. If it was smelted, we estimate we would receive less than 40 cents an ounce of gross weight after foreign metal was extracted and costs of smelting and transportation paid. We have sold 20,000 pounds of this silver at 75 cents a troy ounce gross weight.

We have many tons of hollow or bulk silver. We have selected thousands of pieces for Parke-Bernet and Freeman sales but more than an estimated twenty tons remain. To sell all we have through normal channels without breaking the market would take years. On some of the silver we sold at Parke-Bernet we did not receive silver value after deducting duty and selling expense. We have sold 35,000 pounds of this hollow-ware for 75¢ a troy ounce gross weight.

320498

We have a number of cases of miscellaneous silver containing cheap silver jewelry, cigarette cases, etc. We had decided we could not afford to pay duty on them and had planned to melt them. They were sold for 75¢ an ounce gross weight.

We have a fair quantity of gold jewelry which does not justify payment of duty. We have sold it all for \$40 a troy ounce gold content.

We pay no duty or customs charges on any of these items. They are sold "as is where is." We pay a commission of 3% to the broker who arranged the deal. Terms are cash. A \$25,000 deposit has been made.

These sales should net between \$600,000 and \$700,000. Those of us in intimate touch with our problems believe these sales to be highly advantageous.

I hope you concur.

R. C. KRAMER
Chairman

WAK

(WAK)

June 28, 1948

March 28, 1948

Advisory Committee

June 28, 1948

Mr. Ray C. Kramer
119 West 40th Street
New York, N. Y.

Dear Mr. Kramer:

I just want to send you a note at this time to tell you how greatly I, personally, and the J.D.C. appreciate the wonderful job you are doing with P.C.I.R.O., knowing as we do that the routine load of your business is substantially greater than most business men are called upon to carry. I am sure, in view of this, that if Harold Linder had had any idea of the inherent complexities of the work, he would have been much more hesitant in asking you to take on a task of this size.

From the reports that have come to me from time to time, I realize it must have taken the most extraordinary kind of effort and ingenuity on your part to obtain the highest possible yield. Although the burden of responsibility and decision has been entirely yours, it was extremely wise to have availed yourself of the services of such an outstanding merchandising advisory committee, not only from P.C.I.R.O.'s point of view, but, I hope, of helpfulness to yourself personally.

I am sure that you would not have taken on this post without a sincere, personal feeling about the DP situation, but as one who has been intimately connected with their problems ever since liberation, I should also like to take this opportunity to say many thanks to you on their behalf.

Sincerely yours,

Edward M. M. Warburg

320500

June 23, 1948

Cha-4-
5320
1
119 W. 40 St

Memorandum to: Edward M. M. Warburg

As you suggested, I think that an interim letter to Ray C. Kramer who has been acting as the liquidating agent for the P.C.I.R.O. would be greatly appreciated. I had in mind that when this job is completed some sort of gesture ought to be made by both the Jewish Agency or their successor and the J.D.C.

The substance of the letter would refer to your knowledge of the fact that:

1. His normal business load is substantially greater than most business men are called upon to carry.
2. I would have been much more hesitant in asking him to undertake the job had I had any idea of its inherent complexities.
3. From the reports you have had from time to time you appreciate the extraordinary ingenuity and effort which he has brought to bear in order to obtain the highest possible yield.
4. That while, as you have noted, the burden of responsibility and decision has been entirely his, it has been most wise from the point of view of P.C.I.R.O. and you hope helpful for him to have surrounded himself with so distinguished a merchandising advisory committee.
5. Something to the effect that he would not have undertaken the job had he not been moved by the plight of the D.P.'s, but in the sense of their representative you want to take the occasion to say thank you on their behalf.

H. F. Linder

320501

manufacturing jewelry trade.

A second sale will be held at Parke-Bernet Galleries the week of September 13th, featuring china, glass, silver, jewelry and rugs. No loose diamonds will be sold.

A sale of rugs and silver will be held at the Freeman Galleries in Philadelphia, the week of September 27th.

A contract has been signed for a sale of numismatic coins which will probably be held in late September or early October.

A decision has been reached to break up practically all gold and silver watches for their precious metal value. Experts have been unanimous in recommending this decision. The condition of the watches, their obsolete style, extremely difficult and costly problems in connection with complying with U.S. marking laws and high duty costs, appear to make this decision inevitable.

Tentative negotiations have been held that may lead to a substantial negotiated sale but this is still in an embryonic stage.

I will be grateful for such comments and advice as the members of the Committee may care to make.

R. C. KRAMER
Chairman

FINANCIAL REPORT

AS AT JUNE 30, 1948

CASH BALANCE reported previously (5/26/48)		\$92,022.50
CASH RECEIVED:		
Irvington Refinery - sale of metals		15,183.00
"		7,336.55
Goldsmith Bros. Smelting - sale of metals		475.30
Baker & Co. - sale of platinum		4,863.06
"		5,676.72
Harmer & Co. - proceeds from stamp sale		14,188.84
Harry G. Friedman - sale of silver		508.80
Willoughbys - camera sale		1,970.67
Loeb Rhoades & Co. - securities sold		<u>1,600.82</u>
		143,826.26
CASH DISBURSEMENTS:		
Salaries	440.62	
Office expense	<u>192.39</u>	<u>633.01</u>
BALANCE before remission		143,193.25
REMISSION TO PCIRO		<u>100,000.00</u>
CASH BALANCE 6/30/48		<u><u>\$ 43,193.25</u></u>

320504

J. I. K. O.
Merchandise
Advisory Council

June 5th, 1945.

Mr. Ray C. Kramer
118 West 40th Street
New York, N.Y.

Dear Mr. Kramer:

Thank you very much indeed for your memorandum of May 28th with which you enclosed minutes of a meeting of the Merchandising Advisory Committee to the Preparatory Commission of the International Refugee Organization. We greatly appreciate your intention to invite representatives of the Joint Distribution Committee to future meetings of your committee and I would suggest that such invitations be sent to me. I shall make every effort to be present and if it is not possible, I will designate one of my associates in the office.

May I take this occasion to express to you on behalf of the Officers and Committee our appreciation of your efforts in this tremendously complicated and difficult task which you have undertaken. We have no practical suggestions to offer that you yourself have not explored. We are fully aware now of the problems that are involved and we believe that the best utilization of these assets is being made.

Sincerely yours,

Roses A. Levitt
Executive Vice-Chairman

HAL:JO

320505

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION
119 West 40 St., N.Y.

(Handwritten initials in a circle)

MEMO TO:

May 28, 1948

Messrs. Harold Linder
Moses A. Leavitt ✓

Joint Distribution Committee
270 Madison Avenue, N.Y.

Iver Linton
Gottlieb Hammer

Jewish Agency for Palestine
16 East 66th Street, N.Y.

As the principal beneficiaries of the proceeds from the sale of the goods that have been entrusted to our Committee, I know you have a very keen interest in realizing the maximum sums of money from their disposition.

Because I felt there might be some misconceptions as to the amount of money that might be ultimately realized, I invited you gentlemen to meet with Mr. Rolbein of the I.R.O. and myself, on May 6th to review my thoughts at that time as to the probable results that would be secured, and the problems that were being encountered.

At that time I invited from you any suggestions, criticism or help in any way that would lead to a more constructive result than the Committee was achieving. I have not thus far had any further word from any of the participants of that conference.

In order that you may at all times feel informed, I plan to distribute to you minutes of meetings that may be held from time to time and I am including with this letter copies of minutes and memos that have been sent to members of our Committee to date.

If it is agreeable to you I would like in the future to invite you to all meetings of the Committee, so that you may be fully aware of what is going on. If you will advise me of the names of the people in your respective organizations to which the invitation should be directed, I will see that one is sent in the future.

I want you to feel free to make such inquiries into the work of the Committee as you may desire, and any suggestions that may occur to you that will enable the Committee to do a more satisfactory job for its beneficiaries.

(Handwritten signature)
R. C. KRAMER
Chairman

320508

MEMBERS OF THE PC-IRO MERCHANDISING ADVISORY COMMITTEE:

Russell P. Bygel, Pres.
Interstate Dept. Stores
111 Eighth Avenue, N.Y.C.

David Freudenthal
50 Broadway
New York 4, N.Y.

Bernard Gimbel, Pres.
Gimbel Brothers
New York

Victor Hammer
Hammer Galleries
682 Fifth Avenue, N.Y.

Joseph Kasper, Pres.
Associated Merchandising Corp.
1440 Broadway
New York, N.Y.

Allan Kramer
Sullivan and Cromwell
48 Wall Street
New York, N.Y.

Fred Lazarus, Pres.
Federated Dept. Stores
Cincinnati, Ohio

Sam Leidesdorf
S.D. Leidesdorf & Co.
1 Pershing Square
New York, N.Y.

N.A. Leitner
Price Waterhouse & Co.
56 Pine Street
New York, N.Y.

Edwin Marks
R. H. Macy & Co.
Herald Square, N.Y.

Robert McKim, Pres.
Associated Dry Goods
366 Fifth Avenue, N.Y.C.

Edward Mitten, Pres.
Jordan Marsh
Boston, Mass.

B. Earl Puckett, Pres.
Allied Stores Corp.
1440 Broadway
New York, N.Y.

William O. Riordan, Sr., Pres.
Stern Bros.
West 42nd Street
New York, N.Y.

George Whitten, Pres.
Burdine's
Miami, Fla.

F. G. Winnett, Pres.
Bullock's
Los Angeles, Calif.

Gabriel Ferras
c/o French Financial Attache
39 Broadway, N.Y.C.
(French Representative)

Arthur W. Beaman
1 Wall Street
New York, N.Y.
(English Representative)

A meeting of the Merchandising Advisory Committee to the Preparatory Commission of the International Refugee Organization was held at 119 West 40th Street, New York, N.Y., on Thursday, March 4th at 3:00 P.M.

Present: Arthur W. Beamand
 Russell P. Bygel
 Gabriel Ferras
 David Freudenthal
 Joseph Kasper
 R.C. Kramer
 Robert McKim
 Edwin Marks
 Edward Mitten
 B. Earl Fuckett

Also present were Abba Schwartz and David Rolbein of the I.R.O. Staff, Allan Kramer and Francis M. Gerli.

R. C. Kramer acted as Chairman and F.M. Gerli acted as Secretary.

The Chairman reviewed the origin of the project and the relationship of the Merchandising Advisory Committee to PC-IRO. He described the character of the merchandise to be administered by the Committee, classifying it into the following five major groups:

1. Jewelry and precious stones.
2. Silver and hollow-ware.
3. Rugs.
4. China and glass.
5. Miscellaneous (stamps, coins, securities, etc.).

He reported that all merchandise, with the exception of certain categories of the miscellaneous group which by their nature are admissible into the United States free of duty, is still in bond in the free port of Staten Island; that a strong attempt had been made to have the merchandise in all the groups admitted free of duty, but that technicalities of the United States Customs laws could not be circumvented without special Congressional action,

even though the Customs authorities and the State Department were most sympathetic. The Department of State had offered to have this legislation introduced, but this offer was not accepted on the advice of allied agencies and public relations counsels.

The Chairman stated that he, together with several people technically familiar with the type of merchandise in inventory, had made several examinations of portions of the merchandise in each classification. Prior thereto, it had been his thought to dispose of the items by direct sale to the public. But after examining the merchandise and upon further investigation, the following problems, which he believed insurmountable, immediately presented themselves:

1. The heterogeneous nature of the collection in each group makes impossible an accurate inventory within a reasonable time.
2. No agency equipped to handle such a sale, exists.
3. No location will be available until the end of 1949.
4. The cost of operation would be prohibitive.
5. Advice of public relations counsel etc., is that minimum publicity be given to the origin of the merchandise because of existing racial and religious prejudice.

In view of the foregoing, the Chairman stated that he had eliminated the possibility of a sale direct to the public, and, in lieu thereof, recommended that the following procedures be carried out:

1. The coins, stamps and manufacturing diamonds be sold at public auction.

2. The securities be sold through regular market channels.
3. The diamonds be sold via the customary sealed bid method employed in the diamond trade with minimum upset prices on each lot.
4. The remainder of the merchandise be removed to bonded warehouse, where facilities are available for examination.
5. Technical committees, composed of primary and retail experts in each group, be appointed by the Executive Committee, to appraise, price, and advise on the best marketing channels.

The Chairman asked if any members of the Committee had any suggestions to make to this general plan of procedure.

After discussion, the recommendations of the Chairman were adopted.

The Chairman stated that in order to best carry out the objectives of the Committee, he believed that an Executive Committee should be appointed, composed of three members, in addition to the Chairman, and authorized to act for the Committee in matters of immediate moment when it would not be possible to assemble the entire Committee in session.

Messrs. Kasper, McKim, Puckett and Kramer were thereupon appointed to the Executive Committee.

The Chairman reported that he had been negotiating with H.R. Harmer, Inc., international stamp auctioneers and the foremost agency in New York, for the disposal of the stamps, and that they had offered to assort, catalogue, advertise and sell at public auction for a commission of 20% of the gross return, with H.R. Harmer Inc. bearing all expense involved. He reported

that it was usual procedure in such sales to make known the background of stamps, and that facts here involved would not be considered objectionable among stamp collectors.

On motion duly made, seconded and unanimously carried, the sale of the stamps at auction by H.R. Harmer Inc. for a commission of 20% of the gross return was approved with the provision that adequate security measures be employed.

The Chairman stated that Sullivan and Cromwell, Esqs., had offered to serve gratis as counsel for the Committee.

On motion duly made, seconded and unanimously carried, Sullivan and Cromwell Esqs. were appointed counsel for the Committee.

The Chairman stated that Price Waterhouse & Company, Certified Public Accountants, had offered to serve gratis as auditors for the Committee.

On motion duly made, seconded and unanimously carried, Price Waterhouse & Company, Certified Public Accountants, were appointed auditors for the Committee.

On motion duly made, seconded and unanimously carried, S.D. Leidesdorf was elected Treasurer of the Committee.

The Chairman stated that Globe Shipping Company had offered to serve gratis as Customs Brokers for the Committee.

On motion duly made, seconded and unanimously carried, Globe Shipping Company was appointed Customs Brokers for the Committee.

On motion duly made, seconded and unanimously carried, it was

RESOLVED, that Marine Midland Trust Company of New York be and they are hereby designated as a depository of funds of PC-IRO, and they are authorized and directed to pay or otherwise honor any checks and orders for the transfer of any such funds executed in the name of PC-IRO when signed by R.C. Kramer, Chairman, and S.D. Leidesdorf, Treasurer, jointly, or by the Chairman

jointly, or the Treasurer jointly, with such other names as are approved by the Executive Committee.

The Chairman advised that he had received \$10,000 from PC-IRO with which to open the account, and that PC-IRO had directed that moneys resulting from the disposal of merchandise be deposited in the Committee's account, and all moneys in excess of \$100,000 so deposited, be forwarded to PC-IRO.

The Chairman stated that the Guaranty Trust Company had offered their safekeeping facilities gratis.

On motion duly made, seconded and unanimously carried, the use of the safekeeping facilities of the Guaranty Trust Company was approved and access thereto by R.C. Kramer, Chairman, or such other persons as designated by the Executive Committee, was approved.

The Chairman stated that the securities referred to were, with very few exceptions, of unknown value. He recommended that they be forwarded to Carl M. Loeb Rhoades and Company who are particularly familiar with foreign securities, for evaluation and subsequent sale.

On motion duly made, seconded and unanimously carried, lists of the securities were authorized to be sent to Carl M. Loeb Rhoades and Company for sale, with the proviso that selling prices would be checked with at least one other banking firm that was a member of the New York Stock Exchange.

There being no further business, the meeting was on motion duly made, seconded and unanimously carried, adjourned.

Francis M. Gerli
Secretary

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

119 West 40th Street
New York 18

May 10, 1948

TO ALL COMMITTEE MEMBERS:

Attached is a copy of the minutes of the Executive Committee of the Merchandising Advisory Committee to the PC-IRO. The meeting was held on May 3rd.

The minutes contain more detail than might normally be included in an endeavor to give the members of the committee a better conception of the problems involved.

I would be grateful for any suggestions which any member can offer, and for the names of any individual experts who might be helpful in a solution of some of the problems.

It is expected that some real progress will be made in the month of May. A meeting of the full committee therefore is called for Thursday, May 27th at 3:00 P.M. at 119 West 40th Street, fourth floor, when a full report will be rendered on the results of the work to date and plans for the future discussed.

I hope you can attend. Will you please let me know if you will be present.

R.C. KRAMER
Chairman

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MEETING OF THE EXECUTIVE COMMITTEE
OF
PC-IRO MERCHANDISING ADVISORY COMMITTEE

MAY 3rd, 1948

PRESENT: Messrs. Robert McKim
 B. Earl Puckett
 R.C. Kramer

Mr. Joseph Kasper, the remaining member, was reported to be out of town.

The Chairman reviewed the general problems on the matter of disposition. He reported that the quality of most of the classifications was running below the quality that had been anticipated. It was the exception to find high-grade merchandise in any of the classifications. An unexpectedly large proportion of classifications were of extremely low grade.

He reported that the vast quantities involved were tending to be self-defeating. For example, a price of perhaps five dollars could be received for four or five Marie Theresa thalers, but since we had several hundred, probably only the bullion content could be realized for most of them. While a market might be found for relatively small quantities of loose tableware, the physical problems involved in handling twenty-two tons of it made it extremely difficult to merchandise it profitably. "Pearls" were a similar problem. There were bags weighing 50-60 pounds of loose "pearls" but they were a mixture of cultured, simulated, glass, worn-out "pearls." It was conceivable that a genuine pearl of value might be in the individual bags but the physical problem and cost of examining the hundreds of pounds of "pearls" made it highly questionable whether an analysis would be warranted.

The Chairman reported that a floor had been leased in the Sofia Building, Columbus Circle, N.Y., and that as merchandise was cleared through Customs it would be on exhibit there for viewing by prospective buyers. It

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was expected that the china and glassware would be ready for viewing within a few days.

The Committee discussed a number of individual classifications, summarized as follows:

SILVER: Silver consists of approximately 22 tons of loose flatware, tens of thousands of pieces of hollow-ware and some 500 sets of silver. The 22 tons of loose flatware is packed in large crates. Each crate is composed of mixtures of all sorts of flatware with no segregation by pattern, condition, quality, value or silver content. The opinion that had been received thus far from Black Starr and Gorham, National Silver and several independent experts was that the silver should be consigned to a refinery for smelting.

Under Customs law each piece of silver must be marked with country of origin and silver content, a flat duty per piece paid and an ad valorem duty paid. The expense of going through these essential activities makes it dubious that as much money would be realized by bringing in this loose flatware as would be obtained by turning it into bullion.

It was determined to take the following steps:

- (a) Consign 5% to a refinery to determine how much would be realized if it were all turned into bullion.
- (b) After the bullion content of the 5% had been made known, to conduct an auction in the Free Port of another 5% to determine whether more money would be realized by sale at the Free Port than would be realized by turning the silver into bullion.
- (c) Bring in a small sample of 2 or 3% in precisely the manner in which it is presently packed, go to the expense of marking, paying duty, cleaning and sorting to determine whether despite the obstacles it is a feasible operation to dispose of it under these conditions.
- (d) Have a representative sample of cases sorted to determine whether it is feasible to salvage individual pieces of value and melt the balance.

HOLLOW-WARE: It was reported that four experts were to view the hollow-ware and silver sets the day after the meeting. That review has been made and the tentative report indicates that it will be worth while to go to the expense of marking and paying duty on a substantial part of the hollow-ware. It will require analysis of each individual piece and the present estimate is that perhaps two-thirds can be brought in successfully and the one-third balance should be melted.

SETS OF SILVERWARE: It is probable that it will be worth while to pay the duty on the sets of silver and offer them at auction at the Parke-Bernet Galleries in New York.

JEWELRY: The Chairman reported that the committee of manufacturing jewelers had reviewed each piece of valuable jewelry to determine whether it is more desirable to bring in the jewelry as such and pay duty thereon, or more desirable to break it up into its precious metal and precious stone components. The jewelers' committee has recommended that approximately 75% of the individual pieces of jewelry be broken up. The jewelry that has been recommended to be broken up is being reviewed by retailers to determine whether in their judgment, the decision of the manufacturing jewelers is proper.

It was reported that slightly more than 6500 carats of diamonds had been cleaned. The diamonds are predominantly of very small size, the overwhelming majority being less than 1/2 carat. The details of the proposed sealed bid auction were discussed and approved by the committee.

There are vast quantities of gold jewelry in the consignment. The Chairman outlined the problems in connection with the gold jewelry, from the standpoint of Customs. A simplified case will be cited here, so the committee might understand the problem that is involved not only in gold jewelry but in the jewelry containing precious stones:

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Assume a gold bracelet has \$20 worth of gold in it. Customs agree to a valuation on the basis of gold content plus 10%. The price of the article for Customs purposes therefore would be \$22. A 50% duty would mean an \$11 duty payment. It was found on investigation that similar merchandise could be manufactured in the United States for gold value plus approximately 30%. It is apparent therefore that the Committee will realize more money by melting the bracelet than by paying the duty of \$11 and competing with a manufacturer who can make the same article for approximately \$26. The more valuable the piece of jewelry, whether it be in precious metal content or precious stones, the more difficult becomes the problem of competing, because of the necessity of paying duty on gold, diamonds, platinum and similar valuables.

Practically all of the gold jewelry including such items as bracelets, pins, cigarette cases and vanity cases will have to be sold as gold rather than as jewelry. On the other hand, items of jewelry that had a relatively low intrinsic value were being brought in as is, and duty paid, e.g. some thousands of relatively inexpensive rings on which a valuation for duty purposes of substantially less than \$2 was placed.

It was reported that there were approximately 1000 pieces of so-called antique jewelry, of the type similar to that reportedly sold in fairly substantial quantities by such a store as Bergdorf Goodman and Hammer Galleries.

There was considerable discussion as to the method by which this jewelry could be sold most advantageously including discussions on making consignments to stores who had the reputation for selling quantities of this type of jewelry. Decision was reserved until the jewelry could be inspected

by representatives of other members of the Committee.

WATCHES: Attached is a memo on the subject of watches. This is among our most difficult problems and no solution to it has as yet been found.

There was a discussion as to the possibility of re-exporting some of the merchandise, such as watches and silverware, which appeared to have no ready market as is, in the United States. It was reported that this problem had been thoroughly explored. Certain countries have forbidden the entry of this merchandise under any conditions. For example, Switzerland has forbidden the entry of any of the watches. The Customs laws in other countries would probably be at least as strict as those of the United States but foreign Customs officers might not have the same sympathetic attitude toward our problem that the Customs office in New York displayed to the problem here. There is no staff or organization in a foreign country that could aid in its liquidation even assuming it were feasible to export. But overwhelmingly important is the fact that it is essential to get hard currency for use by the IRO. The possibility of receiving extremely small return for some of the merchandise was thoroughly discussed with representatives of the IRO and it was their opinion that a small amount of dollars was of greater use to them than a larger quantity of currency that could not be converted into dollars.

FURS: There are three cases of furs. They have been inspected by the fur buyer of Interstate Department Stores and declared to be of virtually no value. These furs will probably be included in the auction sales to be held at the Free Port.

COINS: The Chairman reported on the preliminary report given to him by Henry Gruenthal, a New York numismatic expert of outstanding reputation. Mr. Gruenthal estimated that the three foot-lockers of coins would bring be-

tween \$2,000 and \$3,000 if sold as is. He recommended that the foot-lockers be turned over to a coin expert for sorting with the object of having an auction at some future date of the more valuable coins and the sale of the balance of the coins to other coin dealers. The Chairman reported that he had asked Mr. Sidney Noe, Secretary of the American Numismatic Society to view the coins. He asked for authority to make an agreement with a recognized coin expert in the event Mr. Noe confirmed Mr. Gruenthal's judgment. The Executive Committee agreed to the Chairman's recommendation. Mr. Noe viewed the coins subsequently and stated he knew of no one more competent or trustworthy to do the job than Mr. Gruenthal.

PRECIOUS METALS: The Chairman reported that a substantial quantity of precious metals had been sent to the Irvington Refinery, Irvington, N.J., for assay and refining. These metals consist of gold, platinum, palladium and silver. Irvington was selected after bids had been asked for and received from five other refineries and after J.S. Bache & Co., one of the foremost dealers of platinum in New York City, had recommended them.

The Chairman was authorized to sell the metals when the final assay was received from Irvington.

It was further reported that a substantial quantity of gold bars had been sent to the U.S. Assay Office and when the assay had been determined, the gold would be sold to the U. S. Government.

STAMPS: A stamp auction will be held at the H.R. Harmer Galleries, 32 East 57th Street, New York, May 11th and 12th. Copies of the catalog have been sent to all members of the Committee.

SECURITIES: The Chairman reported that securities had arrived and had been sent to Carl M. Loeb Rhoades & Co. for disposition. He had secured the services of Kuhn Loeb and Co. to check on the quotations submitted by Loeb Rhoades. It was the opinion however of both Loeb Rhoades and Kuhn Loeb that the securities were of extremely limited value and saleability.

RECORDS: The Chairman reported that at a meeting with Mr. Mayer, of Price Waterhouse; Mr. Freudenthal, consultant to the Committee; and Mr. Rolbein, representing the IRO, on the form of the records to be maintained by the Committee, it was decided to keep the master record at the office of Sullivan and Cromwell, counsel for the Committee.

R. C. KRAMER
Chairman

5/10/48

MEMORANDUM TO: MR. R.C. KRAMER

FROM: MR. D.L. ROLBEIN

SUBJECT: W A T C H E S.

DATE: April 9, 1948

Included in the non-monetary gold received by the PCIRO from the military authorities in Germany and Austria are approximately 75,000 watches. Because of the method of turn-over it has been impossible to make an accurate inventory of these watches. The IRO staff believes that the following information with respect to this merchandise is reasonably accurate:

1. About 5,000 watches are new; remainder are used, varying in condition from good to very bad.
2. At least 60% of the total are men's watches.
3. Men's watches are predominately pocket-types, women's watches are mostly lapel and wrist types.
4. Cases are divided almost equally among gold, silver and cheaper metals. The men's watch cases are usually very thick and heavy unlike the types usually sold in the U.S.
5. Makes of movements range from Patek Philippe and similar grades to the European prototype of the Ingersol.
6. No information is available on the running condition of the watches nor is it possible to state whether repairs could be easily effected on a large or small number.
7. The watches are generally not marked with country of origin, name of importer, number of jewels and adjustments, etc., as required by the U.S. Customs regulations.

At present the watches are in the free port of New York at Staten Island. We had hoped to bring them into a New York City warehouse prior to making customs entry so that we might obtain informed opinion on the saleability of the merchandise in the U.S. and on the advisability of paying relatively high duties on them. At that time we hoped to obtain sufficient information on these watches to lighten considerably the load of work required upon entry. Entry requires that invoices be prepared listing each watch separately with all pertinent information as to make, jewels, adjustments, type of case, value,

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SUBJECT: W A T C H E S (Continued)

etc. In addition the watches must be marked at the time of entry. The Customs law, while permitting such segregation in a warehouse, requires that each watch be listed separately regardless of ultimate disposition. Thus, even if it were decided that 75% of these watches should be destroyed or otherwise removed from the U.S., it would still be necessary to list each watch individually.

This procedure is impractical both from the point of view of time required for inspection and preparation of invoices as well as from the standpoint of cost of such work. Also, since it is highly likely that an overwhelming proportion of these watches are of types not suitable for the U.S. market, it would be wasteful to spend much time inspecting them.

An alternative procedure would be to have some informed persons examine all the watches at the Foreign Trade Zone prior to entry into Customs territory. This would permit elimination of watches which should not be entered into the U.S. and would provide sufficient information on the others to determine whether they should be re-exported, broken up for the metal value of the cases (either destroying or saving movements depending upon condition and saleability), or sold at auction at the free port. This is a lengthy task itself.

Another procedure would involve only a sampling of the watches at the free port and making a determination upon the basis of that sample.

In either case, it seems advisable that persons in the trade be consulted to request their aid in inspecting the watches now in the Foreign Aid Zone, to obtain their opinion on future procedures with respect to our Customs problem and with respect to the advisability of importing watches of the types indicated into the U.S.

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May 14, 1948

TO ALL COMMITTEE MEMBERS:

I have advised you previously both in oral and written statements that virtually all of the trade experts that have viewed the silver and the gold jewelry have advised melting both categories because it was improbable that they could be sold for a sufficient sum in excess of bullion value plus duty and handling charge.

After the last Executive Committee meeting I arranged for the Parke-Bernet Galleries to send some experts to view the silver and subsequently to view the gold jewelry. Their report was diametrically opposite to that of virtually all the experts that I had previously asked to look at the merchandise. They are extremely confident that a sizable quantity of the merchandise can be sold at auction in their galleries so as to realize substantially more than the bullion value, duty and handling charge.

While I have hesitated to disregard the opinion of a number of authoritative people who advocated turning the goods into bullion, nevertheless the estimates as to what Parke-Bernet could do in a sale based on their previous experience, would yield so much more money if they were realized, that I have entered into a contract with them for two sales: (1) to be composed exclusively of precious stones and good jewelry, and (2) to be composed of silver, china, glass and gold jewelry.

The tentative dates of these sales are the week of June 14th for the jewelry sale (opening on the 15th) and the week of June 21st for the silver sale (opening on the 22nd.) These dates are tentative because there is an enormous amount of work to be done to meet the necessary deadlines.

I have asked for these dates because I feel it highly important that we find out whether this is a satisfactory method of disposal or not at the earliest possible moment.

Mr. Gabriel Ferras
c/o French Financial Attache
39 Broadway
New York, N.Y.

R. C. KRAMER
Chairman

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MINUTES OF MEETING OF
PCIRO--MERCHANDISING ADVISORY COMMITTEE

May 27, 1948 3:00 P.M.
119 West 40th Street, N.Y.

Minutes of the meeting of the Merchandising Advisory Committee held on Thursday, March 4th were approved as mailed.

Minutes of the Executive Committee meeting held Monday, May 3rd, were approved as mailed.

The Chairman reported that the following sales had been made to date:

- (a) Stamp auction held by H.R. Harmer Inc. which yielded a gross return of approximately \$17,500, and a net return (after commissions) of approximately \$14,000.
- (b) Gold in the possession of the Committee has been sold to the United States Treasury amounting to \$26,586.20.
- (c) Platinum in the hands of the Committee has been sold in the amount of \$10,636.30.
- (d) \$45,000 has been received on account of mixed lots of gold, palladium, platinum and silver which are in process of being refined and separated at Irvington Smelting and Refining Works.

A financial report was rendered (copy of which is attached.) The indeterminate amount of the Accounts Receivable from Irvington arises from the fact that settlement cannot be completed until the assay is finished. Auction terms usually call for settlement thirty days after the auction, hence the Harmer Account Receivable.

The Chairman reported on the details of two contracts entered into with Parke-Bernet, one for the sale of diamonds and diamond jewelry and one for the sale of silver, ceramics and gold jewelry. The sales covered by these

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contracts will be held beginning June 21st and ending June 25th. Diamonds and diamond jewelry will be sold on the 21st and 22nd, and the balance of the week will be devoted to the remainder of the merchandise. All sales will be at 2:00 o'clock in the afternoon with the exception of Thursday, when a morning sale will be held as well as an afternoon sale.

The Chairman reported that he planned to enter into a contract with Henry Grunthal for an auction of coins in the possession of the Committee, in October.

The report on the saleability of the silver made by Parke-Bernet is completely at variance with trade experts who had previously viewed the silver. Parke-Bernet's inspection to date indicates that perhaps 90% of the large silver items, such as plates, platters, candlesticks etc. can be profitably sold after payment of duties. Their report on the ceramics on the other hand was disappointing. Whereas previously, trade experts thought it was our best category, Parke-Bernet estimates that only about half of it will be suitable for sale at auction in their auction rooms.

In the expectation that the forthcoming auctions will be successful, arrangements are being made for Parke-Bernet to process additional lots of silver and ceramics beyond those to be sold at that auction. It was reported that in the event the forthcoming auction is successful plans will be made not only for additional auctions in New York but for auctions in other cities.

The Chairman reported that Parke-Bernet had agreed to grade, measure and appraise the rug stock in the hands of the Committee without charge.

The Chairman reported on discussion that he had had with Willoughby's in New York pertaining to the sale of cameras, lenses and allied articles.

He stated that Willoughby's had offered to dispose of them publicly on a non-profit basis with merely reimbursement for out-of-pocket expenses which were estimated at not more than 10% of the proceeds of the sale. The Chairman was authorized to conclude an agreement with Willoughby's along the line outlined.

No action has as yet been taken on the disposal of the securities in the possession of the Committee. It was reported that Loeb Rhoades & Co. and Kuhn Loeb & Co. were both working on the problem.

The Chairman reported that a number of refugees had written and telephoned to his office asking for the privilege of inspecting the stocks in the hands of the Committee because of the possibility that some of the possessions which had been taken from them were included in the Committee's stocks. Allan Kramer of Sullivan and Cromwell advised the Committee that he saw no basis of successful action of claimants for goods and in answer to a specific question from one member of the Committee said that in his opinion the members of the Committee had no legal liability to any possible claims by virtue of any action taken by the Committee in disposing of this property.

The Chairman reported on a meeting that he had had with officials of the Jewish Agency and the Joint Distribution Committee, at which he advised them of the probable results of the disposal of the merchandise. He stated he had asked both organizations to give him any suggestions or advice which they might have and to feel free to suggest any experts that might be called in in order to increase the amounts which might be realized through the disposal of the property which we have. To date neither organization has made any suggestions to the Committee.

The meeting adjourned at 4:30 P.M.

R. C. KRAMER
Chairman

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P.C.I.R.O.-MERCHANDISING ADVISORY COMMITTEE

FINANCIAL REPORT

CASH RECEIVED

Working Funds from P.C.I.R.O.	\$ 10,000.00
Partial Payments from Irvington Refinery on metals smelted	45,000.00
Proceeds from 115 oz. platinum sold through Bache & Co, @ \$92/oz.	10,636.30
Proceeds from U.S. Treasury for gold sold	<u>26,586.20</u>
TOTAL CASH RECEIVED TO May 26, 1948	\$ 92,222.50

CASH DISBURSED

Expense	<u>200.00</u>
CASH BALANCE May 26, 1948	<u>\$ 92,022.50</u>

* * *

ACCOUNTS RECEIVABLE

From Harmer and Co. (approximately)	\$ 14,000.00
From Irvington Refinery	Undetermined

ACCOUNTS PAYABLE

Accrued expense (approximately)	250.00
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MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION
119 West 40 St., N.Y.

I.R.O.
Merchandise
Preparatory
Schwartz

MEMO TO:

May 28, 1948

Messrs. Harold Linder ✓
Moses A. Leavitt

Joint Distribution Committee
270 Madison Avenue, N.Y.

Iver Linton
Gottlieb Hammer

Jewish Agency for Palestine
16 East 66th Street, N.Y.

With

As the principal beneficiaries of the proceeds from the sale of the goods that have been entrusted to our Committee, I know you have a very keen interest in realizing the maximum sums of money from their disposition.

Because I felt there might be some misconceptions as to the amount of money that might be ultimately realized, I invited you gentlemen to meet with Mr. Rolbein of the I.R.O. and myself, on May 6th to review my thoughts at that time as to the probable results that would be secured, and the problems that were being encountered.

At that time I invited from you any suggestions, criticism or help in any way that would lead to a more constructive result than the Committee was achieving. I have not thus far had any further word from any of the participants of that conference.

In order that you may at all times feel informed, I plan to distribute to you minutes of meetings that may be held from time to time and I am including with this letter copies of minutes and memos that have been sent to members of our Committee to date.

If it is agreeable to you I would like in the future to invite you to all meetings of the Committee, so that you may be fully aware of what is going on. If you will advise me of the names of the people in your respective organizations to which the invitation should be directed, I will see that one is sent in the future.

I want you to feel free to make such inquiries into the work of the Committee as you may desire, and any suggestions that may occur to you that will enable the Committee to do a more satisfactory job for its beneficiaries.

R. C. Kramer

R. C. KRAMER
Chairman

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MEMBERS OF THE PC-IRO MERCHANDISING ADVISORY COMMITTEE:

Russell P. Eygel, Pres.
Interstate Dept. Stores
111 Eighth Avenue, N.Y.C.

David Freudenthal
50 Broadway
New York 4, N.Y.

Bernard Gimbel, Pres.
Gimbel Brothers
New York

Victor Hammer
Hammer Galleries
682 Fifth Avenue, N.Y.

Joseph Kasper, Pres.
Associated Merchandising Corp.
1440 Broadway
New York, N.Y.

Allan Kramer
Sullivan and Cromwell
48 Wall Street
New York, N.Y.

Fred Lazarus, Pres.
Federated Dept. Stores
Cincinnati, Ohio

Sam Leidesdorf
S.D. Leidesdorf & Co.
1 Pershing Square
New York, N.Y.

N.A. Leitner
Price Waterhouse & Co.
56 Pine Street
New York, N.Y.

Edwin Marks
R. H. Macy & Co.
Herald Square, N.Y.

Robert McKim, Pres.
Associated Dry Goods
366 Fifth Avenue, N.Y.C.

Edward Mitten, Pres.
Jordan Marsh
Boston, Mass.

B. Earl Puckett, Pres.
Allied Stores Corp.
1440 Broadway
New York, N.Y.

William O. Riordan, Sr., Pres.
Stern Bros.
West 42nd Street
New York, N.Y.

George Whitten, Pres.
Burdine's
Miami, Fla.

F. G. Winnett, Pres.
Bullock's
Los Angeles, Calif.

Gabriel Ferras
c/o French Financial Attache
39 Broadway, N.Y.C.
(French Representative)

Arthur W. Beasland
1 Wall Street
New York, N.Y.
(English Representative)

A meeting of the Merchandising Advisory Committee to the Preparatory Commission of the International Refugee Organization was held at 119 West 40th Street, New York, N.Y., on Thursday, March 4th at 3:00 P.M.

Present: Arthur W. Beamand
 Russell P. Bygel
 Gabriel Ferras
 David Freudenthal
 Joseph Kasper
 R.C. Kramer
 Robert McKim
 Edwin Marks
 Edward Mitten
 B. Earl Fuckett

Also present were Abba Schwartz and David Rolbein of the I.R.O. Staff, Allan Kramer and Francis M. Gerli.

R. C. Kramer acted as Chairman and F.M. Gerli acted as Secretary.

The Chairman reviewed the origin of the project and the relationship of the Merchandising Advisory Committee to PC-IRO. He described the character of the merchandise to be administered by the Committee, classifying it into the following five major groups:

1. Jewelry and precious stones.
2. Silver and hollow-ware.
3. Rugs.
4. China and glass.
5. Miscellaneous (stamps, coins, securities, etc.).

He reported that all merchandise, with the exception of certain categories of the miscellaneous group which by their nature are admissible into the United States free of duty, is still in bond in the free port of Staten Island; that a strong attempt had been made to have the merchandise in all the groups admitted free of duty, but that technicalities of the United States Customs laws could not be circumvented without special Congressional action,

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even though the Customs authorities and the State Department were most sympathetic. The Department of State had offered to have this legislation introduced, but this offer was not accepted on the advice of allied agencies and public relations counsels.

The Chairman stated that he, together with several people technically familiar with the type of merchandise in inventory, had made several examinations of portions of the merchandise in each classification. Prior thereto, it had been his thought to dispose of the items by direct sale to the public. But after examining the merchandise and upon further investigation, the following problems, which he believed insurmountable, immediately presented themselves:

1. The heterogeneous nature of the collection in each group makes impossible an accurate inventory within a reasonable time.
2. No agency equipped to handle such a sale, exists.
3. No location will be available until the end of 1949.
4. The cost of operation would be prohibitive.
5. Advice of public relations counsel etc., is that minimum publicity be given to the origin of the merchandise because of existing racial and religious prejudice.

In view of the foregoing, the Chairman stated that he had eliminated the possibility of a sale direct to the public, and, in lieu thereof, recommended that the following procedures be carried out:

1. The coins, stamps and manufacturing diamonds be sold at public auction.

2. The securities be sold through regular market channels.
3. The diamonds be sold via the customary sealed bid method employed in the diamond trade with minimum upset prices on each lot.
4. The remainder of the merchandise be removed to bonded warehouse, where facilities are available for examination.
5. Technical committees, composed of primary and retail experts in each group, be appointed by the Executive Committee, to appraise, price, and advise on the best marketing channels.

The Chairman asked if any members of the Committee had any suggestions to make to this general plan of procedure.

After discussion, the recommendations of the Chairman were adopted.

The Chairman stated that in order to best carry out the objectives of the Committee, he believed that an Executive Committee should be appointed, composed of three members, in addition to the Chairman, and authorized to act for the Committee in matters of immediate moment when it would not be possible to assemble the entire Committee in session.

Messrs. Kasper, McKim, Puckett and Kramer were thereupon appointed to the Executive Committee.

The Chairman reported that he had been negotiating with H.R. Harmer, Inc., international stamp auctioneers and the foremost agency in New York, for the disposal of the stamps, and that they had offered to assort, catalogue, advertise and sell at public auction for a commission of 20% of the gross return, with H.R. Harmer Inc. bearing all expense involved. He reported

that it was usual procedure in such sales to make known the background of stamps, and that facts here involved would not be considered objectionable among stamp collectors.

On motion duly made, seconded and unanimously carried, the sale of the stamps at auction by H.R. Harmer Inc. for a commission of 20% of the gross return was approved with the provision that adequate security measures be employed.

The Chairman stated that Sullivan and Cromwell, Esqs., had offered to serve gratis as counsel for the Committee.

On motion duly made, seconded and unanimously carried, Sullivan and Cromwell Esqs. were appointed counsel for the Committee.

The Chairman stated that Price Waterhouse & Company, Certified Public Accountants, had offered to serve gratis as auditors for the Committee.

On motion duly made, seconded and unanimously carried, Price Waterhouse & Company, Certified Public Accountants, were appointed auditors for the Committee.

On motion duly made, seconded and unanimously carried, S.D. Leidesdorf was elected Treasurer of the Committee.

The Chairman stated that Globe Shipping Company had offered to serve gratis as Customs Brokers for the Committee.

On motion duly made, seconded and unanimously carried, Globe Shipping Company was appointed Customs Brokers for the Committee.

On motion duly made, seconded and unanimously carried, it was

RESOLVED, that Marine Midland Trust Company of New York be and they are hereby designated as a depository of funds of PC-IRO, and they are authorized and directed to pay or otherwise honor any checks and orders for the transfer of any such funds executed in the name of PC-IRO when signed by R.C. Kramer, Chairman, and S.D. Leidesdorf, Treasurer, jointly, or by the Chairman

jointly, or the Treasurer jointly, with such other names as are approved by the Executive Committee.

The Chairman advised that he had received \$10,000 from PC-IRO with which to open the account, and that PC-IRO had directed that moneys resulting from the disposal of merchandise be deposited in the Committee's account, and all moneys in excess of \$100,000 so deposited, be forwarded to PC-IRO.

The Chairman stated that the Guaranty Trust Company had offered their safekeeping facilities gratis.

On motion duly made, seconded and unanimously carried, the use of the safekeeping facilities of the Guaranty Trust Company was approved and access thereto by R.C. Kramer, Chairman, or such other persons as designated by the Executive Committee, was approved.

The Chairman stated that the securities referred to were, with very few exceptions, of unknown value. He recommended that they be forwarded to Carl M. Loeb Rhoades and Company who are particularly familiar with foreign securities, for evaluation and subsequent sale.

On motion duly made, seconded and unanimously carried, lists of the securities were authorized to be sent to Carl M. Loeb Rhoades and Company for sale, with the proviso that selling prices would be checked with at least one other banking firm that was a member of the New York Stock Exchange.

There being no further business, the meeting was on motion duly made, seconded and unanimously carried, adjourned.

Francis M. Gerli
Secretary

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MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

119 West 40th Street
New York 18

May 10, 1948

TO ALL COMMITTEE MEMBERS:

Attached is a copy of the minutes of the Executive Committee of the Merchandising Advisory Committee to the PC-IRO. The meeting was held on May 3rd.

The minutes contain more detail than might normally be included in an endeavor to give the members of the committee a better conception of the problems involved.

I would be grateful for any suggestions which any member can offer, and for the names of any individual experts who might be helpful in a solution of some of the problems.

It is expected that some real progress will be made in the month of May. A meeting of the full committee therefore is called for Thursday, May 27th at 3:00 P.M. at 119 West 40th Street, fourth floor, when a full report will be rendered on the results of the work to date and plans for the future discussed.

I hope you can attend. Will you please let me know if you will be present.

R.C. KRAMER
Chairman

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MEETING OF THE EXECUTIVE COMMITTEE
OF
PC-IRO MERCHANDISING ADVISORY COMMITTEE

MAY 3rd, 1948

PRESENT: Messrs. Robert McKim
B. Earl Puckett
R.C. Kramer

Mr. Joseph Kasper, the remaining member, was reported to be out of town.

The Chairman reviewed the general problems on the matter of disposition. He reported that the quality of most of the classifications was running below the quality that had been anticipated. It was the exception to find high-grade merchandise in any of the classifications. An unexpectedly large proportion of classifications were of extremely low grade.

He reported that the vast quantities involved were tending to be self-defeating. For example, a price of perhaps five dollars could be received for four or five Marie Theresa thalers, but since we had several hundred, probably only the bullion content could be realized for most of them. While a market might be found for relatively small quantities of loose tableware, the physical problems involved in handling twenty-two tons of it made it extremely difficult to merchandise it profitably. "Pearls" were a similar problem. There were bags weighing 50-60 pounds of loose "pearls" but they were a mixture of cultured, simulated, glass, worn-out "pearls." It was conceivable that a genuine pearl of value might be in the individual bags but the physical problem and cost of examining the hundreds of pounds of "pearls" made it highly questionable whether an analysis would be warranted.

The Chairman reported that a floor had been leased in the Sofia Building, Columbus Circle, N.Y., and that as merchandise was cleared through Customs it would be on exhibit there for viewing by prospective buyers. It

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was expected that the china and glassware would be ready for viewing within a few days.

The Committee discussed a number of individual classifications, summarized as follows:

SILVER: Silver consists of approximately 22 tons of loose flatware, tens of thousands of pieces of hollow-ware and some 500 sets of silver. The 22 tons of loose flatware is packed in large crates. Each crate is composed of mixtures of all sorts of flatware with no segregation by pattern, condition, quality, value or silver content. The opinion that had been received thus far from Black Starr and Gorham, National Silver and several independent experts was that the silver should be consigned to a refinery for smelting.

Under Customs law each piece of silver must be marked with country of origin and silver content, a flat duty per piece paid and an ad valorem duty paid. The expense of going through these essential activities makes it dubious that as much money would be realized by bringing in this loose flatware as would be obtained by turning it into bullion.

It was determined to take the following steps:

- (a) Consign 5% to a refinery to determine how much would be realized if it were all turned into bullion.
- (b) After the bullion content of the 5% had been made known, to conduct an auction in the Free Port of another 5% to determine whether more money would be realized by sale at the Free Port than would be realized by turning the silver into bullion.
- (c) Bring in a small sample of 2 or 3% in precisely the manner in which it is presently packed, go to the expense of marking, paying duty, cleaning and sorting to determine whether despite the obstacles it is a feasible operation to dispose of it under these conditions.
- (d) Have a representative sample of cases sorted to determine whether it is feasible to salvage individual pieces of value and melt the balance.

HOLLOW-WARE: It was reported that four experts were to view the hollow-ware and silver sets the day after the meeting. That review has been made and the tentative report indicates that it will be worth while to go to the expense of marking and paying duty on a substantial part of the hollow-ware. It will require analysis of each individual piece and the present estimate is that perhaps two-thirds can be brought in successfully and the one-third balance should be melted.

SETS OF SILVERWARE: It is probable that it will be worth while to pay the duty on the sets of silver and offer them at auction at the Parke-Bernet Galleries in New York.

JEWELRY: The Chairman reported that the committee of manufacturing jewelers had reviewed each piece of valuable jewelry to determine whether it is more desirable to bring in the jewelry as such and pay duty thereon, or more desirable to break it up into its precious metal and precious stone components. The jewelers' committee has recommended that approximately 75% of the individual pieces of jewelry be broken up. The jewelry that has been recommended to be broken up is being reviewed by retailers to determine whether in their judgment, the decision of the manufacturing jewelers is proper.

It was reported that slightly more than 6500 carats of diamonds had been cleaned. The diamonds are predominantly of very small size, the overwhelming majority being less than 1/2 carat. The details of the proposed sealed bid auction were discussed and approved by the committee.

There are vast quantities of gold jewelry in the consignment. The Chairman outlined the problems in connection with the gold jewelry, from the standpoint of Customs. A simplified case will be cited here, so the committee might understand the problem that is involved not only in gold jewelry but in the jewelry containing precious stones:

Assume a gold bracelet has \$20 worth of gold in it. Customs agree to a valuation on the basis of gold content plus 10%. The price of the article for Customs purposes therefore would be \$22. A 50% duty would mean an \$11 duty payment. It was found on investigation that similar merchandise could be manufactured in the United States for gold value plus approximately 30%. It is apparent therefore that the Committee will realize more money by melting the bracelet than by paying the duty of \$11 and competing with a manufacturer who can make the same article for approximately \$26. The more valuable the piece of jewelry, whether it be in precious metal content or precious stones, the more difficult becomes the problem of competing, because of the necessity of paying duty on gold, diamonds, platinum and similar valuables.

Practically all of the gold jewelry including such items as bracelets, pins, cigarette cases and vanity cases will have to be sold as gold rather than as jewelry. On the other hand, items of jewelry that had a relatively low intrinsic value were being brought in as is, and duty paid, e.g. some thousands of relatively inexpensive rings on which a valuation for duty purposes of substantially less than \$2 was placed.

It was reported that there were approximately 1000 pieces of so-called antique jewelry, of the type similar to that reportedly sold in fairly substantial quantities by such a store as Bergdorf Goodman and Hammer Galleries.

There was considerable discussion as to the method by which this jewelry could be sold most advantageously including discussions on making consignments to stores who had the reputation for selling quantities of this type of jewelry. Decision was reserved until the jewelry could be inspected

by representatives of other members of the Committee.

WATCHES: Attached is a memo on the subject of watches. This is among our most difficult problems and no solution to it has as yet been found.

There was a discussion as to the possibility of re-exporting some of the merchandise, such as watches and silverware, which appeared to have no ready market as is, in the United States. It was reported that this problem had been thoroughly explored. Certain countries have forbidden the entry of this merchandise under any conditions. For example, Switzerland has forbidden the entry of any of the watches. The Customs laws in other countries would probably be at least as strict as those of the United States but foreign Customs officers might not have the same sympathetic attitude toward our problem that the Customs office in New York displayed to the problem here. There is no staff or organization in a foreign country that could aid in its liquidation even assuming it were feasible to export. But overwhelmingly important is the fact that it is essential to get hard currency for use by the IRO. The possibility of receiving extremely small return for some of the merchandise was thoroughly discussed with representatives of the IRO, and it was their opinion that a small amount of dollars was of greater use to them than a larger quantity of currency that could not be converted into dollars.

FURS: There are three cases of furs. They have been inspected by the fur buyer of Interstate Department Stores and declared to be of virtually no value. These furs will probably be included in the auction sales to be held at the Free Port.

COINS: The Chairman reported on the preliminary report given to him by Henry Gruenthal, a New York numismatic expert of outstanding reputation. Mr. Gruenthal estimated that the three foot-lockers of coins would bring be-

tween \$2,000 and \$3,000 if sold as is. He recommended that the foot-lockers be turned over to a coin expert for sorting with the object of having an auction at some future date of the more valuable coins and the sale of the balance of the coins to other coin dealers. The Chairman reported that he had asked Mr. Sidney Noe, Secretary of the American Numismatic Society to view the coins. He asked for authority to make an agreement with a recognized coin expert in the event Mr. Noe confirmed Mr. Gruenthal's judgment. The Executive Committee agreed to the Chairman's recommendation. Mr. Noe viewed the coins subsequently and stated he knew of no one more competent or trustworthy to do the job than Mr. Gruenthal.

PRECIOUS METALS: The Chairman reported that a substantial quantity of precious metals had been sent to the Irvington Refinery, Irvington, N.J., for assay and refining. These metals consist of gold, platinum, palladium and silver. Irvington was selected after bids had been asked for and received from five other refineries and after J.S. Bache & Co., one of the foremost dealers of platinum in New York City, had recommended them.

The Chairman was authorized to sell the metals when the final assay was received from Irvington.

It was further reported that a substantial quantity of gold bars had been sent to the U.S. Assay Office and when the assay had been determined, the gold would be sold to the U. S. Government.

STAMPS: A stamp auction will be held at the H.R. Harmer Galleries, 32 East 57th Street, New York, May 11th and 12th. Copies of the catalog have been sent to all members of the Committee.

SECURITIES: The Chairman reported that securities had arrived and had been sent to Carl M. Loeb Rhoades & Co. for disposition. He had secured the services of Kuhn Loeb and Co. to check on the quotations submitted by Loeb Rhoades. It was the opinion however of both Loeb Rhoades and Kuhn Loeb that the securities were of extremely limited value and saleability.

RECORDS: The Chairman reported that at a meeting with Mr. Mayer, of Price Waterhouse; Mr. Freudenthal, consultant to the Committee; and Mr. Rolbein, representing the IRO, on the form of the records to be maintained by the Committee, it was decided to keep the master record at the office of Sullivan and Cromwell, counsel for the Committee.

R. C. KRAMER
Chairman

5/10/48

MEMORANDUM TO: MR. R.C. KRAMER

FROM: MR. D.L. ROLBEIN

SUBJECT: W A T C H E S.

DATE: April 9, 1948

Included in the non-monetary gold received by the PCIRO from the military authorities in Germany and Austria are approximately 75,000 watches. Because of the method of turn-over it has been impossible to make an accurate inventory of these watches. The IRO staff believes that the following information with respect to this merchandise is reasonably accurate:

1. About 5,000 watches are new; remainder are used, varying in condition from good to very bad.
2. At least 60% of the total are men's watches.
3. Men's watches are predominately pocket-types, women's watches are mostly lapel and wrist types.
4. Cases are divided almost equally among gold, silver and cheaper metals. The men's watch cases are usually very thick and heavy unlike the types usually sold in the U.S.
5. Makes of movements range from Patek Philippe and similar grades to the European prototype of the Ingersol.
6. No information is available on the running condition of the watches nor is it possible to state whether repairs could be easily effected on a large or small number.
7. The watches are generally not marked with country of origin, name of importer, number of jewels and adjustments, etc., as required by the U.S. Customs regulations.

At present the watches are in the free port of New York at Staten Island. We had hoped to bring them into a New York City warehouse prior to making customs entry so that we might obtain informed opinion on the saleability of the merchandise in the U.S. and on the advisability of paying relatively high duties on them. At that time we hoped to obtain sufficient information on these watches to lighten considerably the load of work required upon entry. Entry requires that invoices be prepared listing each watch separately with all pertinent information as to make, jewels, adjustments, type of case, value/

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SUBJECT: W A T C H E S (Continued)

etc. In addition the watches must be marked at the time of entry. The Customs law, while permitting such segregation in a warehouse, requires that each watch be listed separately regardless of ultimate disposition. Thus, even if it were decided that 75% of these watches should be destroyed or otherwise removed from the U.S., it would still be necessary to list each watch individually.

This procedure is impractical both from the point of view of time required for inspection and preparation of invoices as well as from the standpoint of cost of such work. Also, since it is highly likely that an overwhelming proportion of these watches are of types not suitable for the U.S. market, it would be wasteful to spend much time inspecting them.

An alternative procedure would be to have some informed persons examine all the watches at the Foreign Trade Zone prior to entry into Customs territory. This would permit elimination of watches which should not be entered into the U.S. and would provide sufficient information on the others to determine whether they should be re-exported, broken up for the metal value of the cases (either destroying or saving movements depending upon condition and saleability), or sold at auction at the free port. This is a lengthy task itself.

Another procedure would involve only a sampling of the watches at the free port and making a determination upon the basis of that sample.

In either case, it seems advisable that persons in the trade be consulted to request their aid in inspecting the watches now in the Foreign Aid Zone, to obtain their opinion on future procedures with respect to our Customs problem and with respect to the advisability of importing watches of the types indicated into the U.S.

320544

May 14, 1948

TO ALL COMMITTEE MEMBERS:

I have advised you previously both in oral and written statements that virtually all of the trade experts that have viewed the silver and the gold jewelry have advised melting both categories because it was improbable that they could be sold for a sufficient sum in excess of bullion value plus duty and handling charge.

After the last Executive Committee meeting I arranged for the Parke-Bernet Galleries to send some experts to view the silver and subsequently to view the gold jewelry. Their report was diametrically opposite to that of virtually all the experts that I had previously asked to look at the merchandise. They are extremely confident that a sizable quantity of the merchandise can be sold at auction in their galleries so as to realize substantially more than the bullion value, duty and handling charge.

While I have hesitated to disregard the opinion of a number of authoritative people who advocated turning the goods into bullion, nevertheless the estimates as to what Parke-Bernet could do in a sale based on their previous experience, would yield so much more money if they were realized, that I have entered into a contract with them for two sales: (1) to be composed exclusively of precious stones and good jewelry, and (2) to be composed of silver, china, glass and gold jewelry.

The tentative dates of these sales are the week of June 14th for the jewelry sale (opening on the 15th) and the week of June 21st for the silver sale (opening on the 22nd.) These dates are tentative because there is an enormous amount of work to be done to meet the necessary deadlines.

I have asked for these dates because I feel it highly important that we find out whether this is a satisfactory method of disposal or not at the earliest possible moment.

R. C. KRAMER
Chairman

Mr. Allan Kramer
Sullivan and Cromwell
48 Wall Street
New York, N.Y.

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MINUTES OF MEETING OF
PCIRO--MERCHANDISING ADVISORY COMMITTEE

May 27, 1948 3:00 P.M.
119 West 40th Street, N.Y.

Minutes of the meeting of the Merchandising Advisory Committee held on Thursday, March 4th were approved as mailed.

Minutes of the Executive Committee meeting held Monday, May 3rd, were approved as mailed.

The Chairman reported that the following sales had been made to date:

- (a) Stamp auction held by H.R. Harner Inc, which yielded a gross return of approximately \$17,500, and a net return (after commissions) of approximately \$14,000.
- (b) Gold in the possession of the Committee has been sold to the United States Treasury amounting to \$26,586.20.
- (c) Platinum in the hands of the Committee has been sold in the amount of \$10,636.30.
- (d) \$45,000 has been received on account of mixed lots of gold, palladium, platinum and silver which are in process of being refined and separated at Irvington Smelting and Refining Works.

A financial report was rendered (copy of which is attached.) The indeterminate amount of the Accounts Receivable from Irvington arises from the fact that settlement cannot be completed until the assay is finished. Auction terms usually call for settlement thirty days after the auction, hence the Harner Account Receivable.

The Chairman reported on the details of two contracts entered into with Parke-Bernet, one for the sale of diamonds and diamond jewelry and one for the sale of silver, ceramics and gold jewelry. The sales covered by these

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contracts will be held beginning June 21st and ending June 25th. Diamonds and diamond jewelry will be sold on the 21st and 22nd, and the balance of the week will be devoted to the remainder of the merchandise. All sales will be at 2:00 o'clock in the afternoon with the exception of Thursday, when a morning sale will be held as well as an afternoon sale.

The Chairman reported that he planned to enter into a contract with Henry Grunthal for an auction of coins in the possession of the Committee, in October.

The report on the saleability of the silver made by Parke-Bernet is completely at variance with trade experts who had previously viewed the silver. Parke-Bernet's inspection to date indicates that perhaps 90% of the large silver items, such as plates, platters, candlesticks etc. can be profitably sold after payment of duties. Their report on the ceramics on the other hand was disappointing. Whereas previously, trade experts thought it was our best category, Parke-Bernet estimates that only about half of it will be suitable for sale at auction in their auction rooms.

In the expectation that the forthcoming auctions will be successful, arrangements are being made for Parke-Bernet to process additional lots of silver and ceramics beyond those to be sold at that auction. It was reported that in the event the forthcoming auction is successful plans will be made not only for additional auctions in New York but for auctions in other cities.

The Chairman reported that Parke-Bernet had agreed to grade, measure and appraise the rug stock in the hands of the Committee without charge.

The Chairman reported on discussion that he had had with Willoughby's in New York pertaining to the sale of cameras, lenses and allied articles.

He stated that Willoughby's had offered to dispose of them publicly on a non-profit basis with merely reimbursement for out-of-pocket expenses which were estimated at not more than 10% of the proceeds of the sale. The Chairman was authorized to conclude an agreement with Willoughby's along the line outlined.

No action has as yet been taken on the disposal of the securities in the possession of the Committee. It was reported that Loeb Rhoades & Co. and Kuhn Loeb & Co. were both working on the problem.

The Chairman reported that a number of refugees had written and telephoned to his office asking for the privilege of inspecting the stocks in the hands of the Committee because of the possibility that some of the possessions which had been taken from them were included in the Committee's stocks. Allan Kramer of Sullivan and Cromwell advised the Committee that he saw no basis of successful action of claimants for goods and in answer to a specific question from one member of the Committee said that in his opinion the members of the Committee had no legal liability to any possible claims by virtue of any action taken by the Committee in disposing of this property.

The Chairman reported on a meeting that he had had with officials of the Jewish Agency and the Joint Distribution Committee, at which he advised them of the probable results of the disposal of the merchandise. He stated he had asked both organizations to give him any suggestions or advice which they might have and to feel free to suggest any experts that might be called in in order to increase the amounts which might be realized through the disposal of the property which we have. To date neither organization has made any suggestions to the Committee.

The meeting adjourned at 4:30 P.M.

R. C. KRAMER
Chairman

P.C.I.R.O.-MERCHANDISING ADVISORY COMMITTEE

FINANCIAL REPORT

CASH RECEIVED

Working Funds from P.C.I.R.O.	\$ 10,000.00
Partial Payments from Irvington Refinery on metals smelted	45,000.00
Proceeds from 115 oz. platinum sold through Bache & Co. @ \$92/oz.	10,636.30
Proceeds from U.S. Treasury for gold sold	<u>26,586.20</u>
TOTAL CASH RECEIVED TO May 26, 1948	\$ 92,222.50

CASH DISBURSED

Expense	<u>200.00</u>
CASH BALANCE May 26, 1948	<u>\$ 92,022.50</u>

* * *

ACCOUNTS RECEIVABLE

From Harmer and Co. (approximately)	\$ 14,000.00
From Irvington Refinery	Undetermined

ACCOUNTS PAYABLE

Accrued expense (approximately)	250.00
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DRAFT

MEETING OF THE EXECUTIVE COMMITTEE
OF P.C.-I.R.O. MERCHANDISING ADVISORY COMMITTEE
MAY 3, 1948

Present: Messrs. Robert McKim
B. Earl Puckett
R.C. Kramer

~~DER~~
MRO, RO
File
merchandise sale of
non-monetary
gold items and
this country

Mr. Joseph Kasper, the remaining member, was reported to be out of town.

The Chairman reviewed the general problems on the matter of disposition. He reported that the quality of most of the classifications was running below the quality that had been anticipated. It was the exception to find high-grade merchandise in any of the classifications. An unexpectedly large proportion of classifications were of extremely low grade.

He reported that the vast quantities involved were tending to be self-defeating. For example, a price of perhaps \$5. could be received for four or five Marie Theresa thalers, but since we had several hundred, probably only the bullion content could be realized for most of them. While a market might be found for relatively small quantities of loose tableware, the physical problems involved in handling twenty-two tons of it made it extremely difficult to merchandise it profitably. "Pearls" were a similar problem. There were bags weighing 50 to 60 pounds of loose "pearls" but they were a mixture of cultured, simulated, glass, worn-out "pearls." It was conceivable that a genuine pearl of value might be in the individual bags but the physical problem and cost of examining the hundreds of pounds of "pearls" made it highly questionable whether an analysis would be warranted.

The Chairman reported that a floor had been leased in the Sofia Building, Columbus Circle, New York, and that as merchandise was cleared through Customs

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it would be on exhibit there for viewing by prospective buyers. It was expected that the china and glassware would be ready for viewing within a few days.

The Committee discussed a number of individual classifications, summarized as follows:

SILVER: Silver consists of approximately 22 tons of loose flatware, tens of thousands of pieces of hollow-ware and some 500 sets of silver. The 22 tons of loose flatware is packed in large crates. Each crate is composed of mixtures of all sorts of flatware with no segregation by pattern, condition, quality, value or silver content. The opinion that had been received thus far from Black Starr and Gorham, National Silver and several independent experts was that the silver should be consigned to a refinery for smelting.

Under customs law each piece of silver must be marked with country of origin and silver content, a flat duty per piece paid and an ad valorem duty paid. The expense of going through these essential activities makes it dubious that as much money would be realized by bringing in this loose flatware as would be obtained by turning it into bullion.

It was determined to take the following steps:

- (a) Consign 5% to a refinery to determine how much would be realized if it were all turned into bullion.
- (b) After the bullion content of the 5% had been made known, to conduct an auction in the Free Port of another 5% to determine whether more money would be realized by sale at the Free Port than would be realized by turning the silver into bullion.
- (c) Bring in a small sample of 2 or 3% in precisely the manner in which it is presently packed, go to the expense of marking, paying duty, cleaning and sorting to determine whether despite the obstacles it is a feasible operation to dispose of it under these conditions.
- (d) Have a representative sample of cases sorted to determine whether it is feasible to salvage individual pieces of value and melt the balance.

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SETS OF SILVERWARE: It is probable that it will be worth while to pay the duty on the sets of silver and offer them at auction at the Parks-Bernet Galleries in New York.

JEWELRY: The Chairman reported that the committee of manufacturing jewelers had reviewed each piece of valuable jewelry to determine whether it is more desirable to bring in the jewelry as such and pay duty thereon, or more desirable to break it up into its precious metal and precious stone components. The jewelers' committee has recommended that approximately 75% of the individual pieces of jewelry be broken up. The jewelry that has been recommended to be broken up is being reviewed by retailers to determine whether the decision of the manufacturing jewelers, in their judgment, is proper.

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\$2,000 and \$3,000 if sold as is. He recommended that the foot-lockers be turned over to a coin expert for sorting with the object of having an auction at some future date of the more valuable coins and the sale of the balance of the coins to other coin dealers. The Chairman reported that he had asked Mr. Sidney Noe, Secretary of the American Numismatic Society to view the coins. He asked for authority to make an agreement with a recognized coin expert in the event Mr. Noe confirmed Mr. Gruenthal's judgment. The Executive Committee agreed to the Chairman's recommendation.

PRECIOUS METALS: The Chairman reported that a substantial quantity of precious metals had been sent to the Irvington Refinery, Irvington, N. J., for assay and refining. These metals consist of gold, platinum, palladium and silver. Irvington was selected after bids had been asked for and received from five other refineries and after J. S. Bache & Co., one of the foremost dealers of platinum, in New York City, had recommended them.

The Chairman was authorized to sell the metals when the final assay was received from Irvington.

It was further reported that a substantial quantity of gold bars had been sent to the U.S. Assay Office and when the assay had been determined, the gold would be sold to the U.S. Government.

STAMPS: A stamp auction will be held at the H.R. Harmer Galleries, 32 East 57th Street, New York, May 11th and 12th. Copies of the catalog have been sent to all members of the committee.

SECURITIES: The Chairman reported that securities had arrived and had been sent to Carl M. Loeb Rhoades & Co. for disposition. He had secured the services of Kuhn Loeb and Co. to check on the quotations submitted by Loeb Rhoades. It was the opinion however of both Loeb Rhoades and Kuhn Loeb that the securities were of extremely limited value and salability.

RECORDS: The Chairman reported that at a meeting with Mr. Mayer, of Price Waterhouse; Mr. Freudenthal, consultant to the Committee; and Mr. Holbein, representing the IRO, on the form of the records to be maintained by the Committee, it was decided to keep the master record at the office of Sullivan and Crosswell, counsel for the Committee.

5/6/48