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Annual Report

OFFICE OF

ALIEN PROPERTY

DEPARTMENT OF JUSTICE

FISCAL YEAR ENDED JUNE 30, 1955

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LETTER OF TRANSMITTAL TO THE PRESIDENT

Office of the Attorney General,
Washington, D. C.

The President,
The White House, Washington, D. C.

My Dear Mr. President: I have the honor to transmit to you the Annual Report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1955. This report is made pursuant to section 6, of the Trading With the Enemy Act, as amended.

Respectfully,

Herbert Brownell, Jr.
Attorney General.

LETTER OF TRANSMITTAL TO THE ATTORNEY GENERAL

Office of Alien Property,
Department of Justice,
Washington 25, D. C.

The Honorable
The Attorney General.

Dear Mr. Attorney General: I herewith present the Annual Report of the Office of Alien Property for the fiscal year ended June 30, 1955. This is the thirteenth annual report of proceedings under the Trading With the Enemy Act, as amended, submitted by the Office of Alien Property and its predecessor agency, the Office of Alien Property Custodian, in accordance with section 6 of the Act.

Respectfully,

Dallas S. Townsend,
Assistant Attorney General,
Director, Office of Alien Property.

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The Annual Report of the Office of Alien Property is prepared by the Reports & Statistics Unit, Administrative Section. All inquiries concerning the report should be addressed to:

Reports & Statistics Unit
Administrative Section
Office of Alien Property
Department of Justice
Washington 25, D. C.

BASIC POLICIES AND PROBLEMS

The Office of Alien Property in the Department of Justice is charged with the responsibility of administering and disposing of vested interests in property in the United States formerly owned or controlled directly or indirectly by the Governments and nationals of Germany and Japan. Such property is administered in accordance with the provisions of the Trading With the Enemy Act, as amended.

The vesting program of the Office involving German-owned property came to an end on April 17, 1953, although the vesting of Japanese-owned property had ended when the Treaty of Peace with Japan came into effect on April 28, 1952. 1/ All vested property, with the exception of a few specified categories, is reduced to cash by sale or liquidation at the earliest practicable time. The disposition of the proceeds of the sale and liquidation of vested property is carried out in a manner prescribed by the Congress. By legislation the Congress has provided for the payment of debt claims to American creditors of enemy nationals whose property has been vested, the return of vested property to nonhostile persons, and the transfer of the net proceeds of German and Japanese vested property after the payment of all valid claims and deductions for administrative expenses to the War Claims Fund.

Jurisdiction is also exercised by the Office over certain assets in the United States of "Iron Curtain" countries and their nationals which are still subject to the blocking and licensing controls of World War II.

Value of Vested Property

As of June 30, 1955 the Office had vested property with an estimated net value at dates of vesting of \$393,779,000. 2/ Together with appreciation of vested property since dates of vesting while under the administration of the Office of \$154,827,000 and net income from vested property of \$63,881,000, the total estimated value of all vested property at June 30, 1955 stood at \$612,487,000. After deductions both administrative and by law, 3/ the estimated net value of the Attorney General's interest in vested property still held at June 30, 1955 stood at \$268,383,000. The net values of vested property at dates of vesting together with the number of vesting orders issued by the Office under its vesting program, are presented in table 1. A further breakdown has been made between vested property of German and Japanese nationals and their governments and that of other nationals since the Congress has prescribed the manner in which the proceeds of the vested property of each category of nationals are to be disposed.

1/ Executive A. 82d Cong., 2d sess.

2/ The value of vested property in the Philippines is not included in this total nor any other total of vested property shown in this Annual Report, as it is being administered separately by the Office so that the net proceeds left may be turned over to the Republic of the Philippines by terms of the Philippine Property Act of 1946 (60 Stat. 418).

3/ For details of the deductions, see Ch. II, table 4, p. 12.

Table 1.---VALUE OF NET EQUITY VESTED AT DATES OF VESTING TOGETHER WITH THE NUMBER OF VESTING ORDERS ISSUED, MAR. 11, 1942, TO JUNE 30, 1955 ^{1/}

Type of property by groups of nationalities	Mar. 11, 1942 to June 30, 1955	
	Number of vesting orders	Net equity vested ^{2/}
A. Property of nationals of Germany and Japan:		
Interests in vested business enterprises.....	794	\$163,424,000
Royalties on patents, copyrights, and trade-marks (accrued prior to dates of vesting).....	1,105	3,862,000
Real property (including mortgages) and tangible personal property.....	971	8,769,000
Securities (stocks, bonds, etc., not representing substantial interests in business enterprises)....	2,147	32,987,000
Bank accounts, currency and coin.....	3,392	44,711,000
Notes, claims, and credits.....	1,828	25,488,000
Life insurance and annuities.....	2,257	3,923,000
Interests in estates and trusts.....	5,794	79,689,000
Property received per intercustodial agreements.....	.....	3,056,000
Total-German and Japanese property.....	18,288	365,909,000
B. Property of nationals of other countries.....	1,267	27,870,000
Grand total.....	19,555	393,779,000

^{1/} The Office ceased all vesting on April 17, 1953.

^{2/} Exclusive of patents, copyrights, and trade-marks and other properties on which dollar valuations are not practicable; net income and appreciation of vested property since dates of vesting; and of property located in the Philippines.

ADMINISTRATION AND LIQUIDATION OF VESTED PROPERTY

As soon as practicable after vesting, the Office endeavors either to liquidate or sell to nationals of the United States most of the property under its administration. Pending its liquidation or sale, vested property is administered in the national interest in a manner designed to conserve and increase its value.

The many valuable German and Japanese patents vested by the Office, with the exception of those in which nonenemies have or claim interests, are licensed to American industry on a nonexclusive, royalty-free basis. Vested nonenemy and Italian patents are subject to return under section 32 of the Trading With the Enemy Act, as amended. ^{4/} Pending such return, these patents are licensed on a nonexclusive, royalty-bearing basis if satisfactory terms can be agreed upon by the former owner and the applicant for a license.

Liquidation and Sale

The Office received a total of \$14,358,000 during the fiscal year 1955 as the proceeds from the sale and liquidation of vested property and collected \$4,809,000 as net income from vested property still in its possession. As of June 30, 1955 total net proceeds amounted to \$314,461,000 and total net income received by the Office to \$63,881,000.

^{4/} 50 U. S. C. App. sec. 32.

The Office continues its general policy of not selling or liquidating the following classes of vested property: (1) patents, copyrights and trade-marks; and (2) properties of nationals of countries other than Germany and Japan. Under the injunctive provision of section 9(a), ^{5/} the Office may not sell or liquidate vested property against which a suit for return is pending. However, where the Office can arrive at a stipulation with the plaintiff in a suit for return of vested property to substitute the cash proceeds of a sale for the claimed unsold property, the Office will do so and go ahead and sell the property, in order to fulfill its main objective of liquidating vested property as rapidly as possible.

As of June 30, 1955 approximately \$177,000,000 of vested property was involved in the above classes of property. Excluded from this valuation were patents, copyrights and trade-marks which are impractical of computation.

DISPOSITION OF VESTED PROPERTY

The disposition of vested property has been determined by the Congress through enactment of various amendments to the Trading With the Enemy Act, as amended.

Creditors of Former Owners of Vested Property

Section 34 of the Trading With the Enemy Act, as amended, permits the payment of certain debt claims to creditors of the former enemy owners of vested property. Such creditors must be citizens of the United States or Philippine Islands or residents of this country since December 7, 1941. January 4, 1954 was the last date for filing debt claims in respect of World War II vested property.

Debt claims against property subject to a title claim or section 9(a) suit for return are not generally paid until such title claim or suit has been settled. The Office, upon allowance of a title claim under section 32 to a nonresident or a foreign corporation, must give notice in the Federal Register of intention to return at least 30 days prior to making the return. During this 30-day period, debt claimants may attach the property and proceed to have the validity of the debts determined by the courts.

During the fiscal year the Office disposed of 16,052 debt claims with 44 claims being allowed in the aggregate amount of \$394,796.31 ^{6/} and 16,008 being disallowed, withdrawn or disposed of through consolidation. In addition, 15 debt claims totalling \$110,601.21, asserted against insolvent debtors, were tentatively allowed.

Nonhostile Persons Whose Property Has Been Vested

The administrative return of vested property to nonhostile persons is authorized by section 32 of the Trading With the Enemy Act, as amended. ^{7/} Generally speaking, vested property can be returned to the following groups: nonenemy governments; citizens of allied and neutral countries not voluntarily resident in enemy countries during the war period; corporations of nonhostile countries not enemy controlled; certain American citizens regardless of their residence during the war; enemy citizens who continuously resided outside enemy or enemy-occupied territory since December 7, 1941, and who were not engaged in business in such territory; victims of enemy persecution who would otherwise have been ineligible because of enemy citizenship or residence in an enemy country; and the Government, nationals, and residents of Italy who were previously ineligible because of their earlier enemy status.

^{5/} 50 U. S. C. App. sec. 9(a).

^{6/} Because of the insolvency of three of the debtors' accounts, payments totalling only \$393,781.11 were made on these allowed claims during the fiscal year 1955.

^{7/} 60 Stat. 50; 60 Stat. 784; 64 Stat. 1080; 66 Stat. 129; 50 U. S. C. App. sec. 32.

The bar date for the filing of claims for the return of vested property was February 9, 1955, or two years after the date of vesting, whichever is later. As the last vesting order became effective on April 16, 1953 (V.O. 19312, 18 F.R. 2007), the final date for filing title claims against World War II vested property was two years thereafter, or April 15, 1955. By Public Law 626, 83rd Congress, Second Session, approved August 23, 1954, 8/ a new amendment was added to the Act authorizing the President to designate one or more organizations as successors in interest to deceased persons who if alive would be eligible under the persecutee provisos of section 32(a)(2)(C) or (D) of the Act. Bar date for the filing of "heirless asset" claims was set for one year from August 24, 1954.

The Office processed a total of 1,406 title claims during the fiscal year 1955. Of this total, 463 were allowed and 943 were disallowed or withdrawn. Returned to former owners during the fiscal year were \$7,440,000 in cash and appraisable property, 81 patents, 4 patent applications, 3 interests in 3 patent contracts, and certain other industrial property. The Office of Alien Property has now returned a total of \$60,381,000 of cash and appraisable property under sections 9(a) and 32 of the Trading With the Enemy Act, as amended. 9/

The provisions of section 9(a) of the Act offer a judicial remedy to nonenemy claimants of vested property by permitting them to bring actions under this section in a Federal court for the return of their vested property.

Nationals of Former Enemy Countries

NATIONALS OF ITALY.---Vested property formerly owned by Italian nationals is being returned under the terms of a general settlement agreement between the Governments of Italy and the United States. Legal authority for the returns is contained in section 32 of the Trading With the Enemy Act, as amended. 10/ The procedure involved requires the Italian Government to issue certificates to the Office of Alien Property in respect of citizenship, residence, ownership, and non-collaboration with Germany after September 8, 1943, of Italian claimants under this section of the Act.

Some Italian property may not be returned by the United States since the general settlement agreement provided for the retention of vested property formerly owned by specified classes of Italian nationals, such as war criminals and others who continued to aid the enemy cause after Italy became a co-belligerent. The ultimate disposition of any Italian property not returned will be determined by the United States, in consultation with the Italian Government.

NATIONALS OF BULGARIA, HUNGARY, AND RUMANIA.---By Public Law 285, 84th Congress, First Session, approved August 9, 1955, 11/ the International Claims Settlement Act of 1949, as amended, was further amended by adding section 202(b) to Title II of the Act which provides that the net proceeds of any property vested after December 17, 1941 pursuant to the Trading With the Enemy Act, as amended, and which was owned directly or indirectly by Bulgaria, Hungary or Rumania, or any national thereof, be covered into the Treasury, after the completion of the administration and adjudication of claims and suits with respect thereto under the provisions of the Trading With the Enemy Act, as amended, except with respect to the net proceeds of any such property found to be directly owned by natural persons at the date of vesting. Vested property found to be directly owned by natural persons at dates of vesting are to be divested by the Office and carried in blocked accounts with the Treasury.

8/ 68 Stat. 767, 50 U. S. C. App. sec. 32(h). For details, see p. 62.

9/ For details of this total, see table 5, p. 13.

10/ 61 Stat. 784, 50 U. S. C. App. sec. 32.

11/ 69 Stat. 562. For further details of this law as it affects blocked property, see p. 8.

Nationals of Germany and Japan

The War Claims Act of 1948 ^{12/} provides for the manner of disposal of vested property, or the proceeds therefrom, formerly owned by the Governments and nationals of Germany and Japan. ^{13/}

Under the provisions of the War Claims Act of 1948 a War Claims Commission (now the Foreign Claims Settlement Commission) was established, which in conjunction with the Federal Security Administrator, was authorized to make adjudications and awards on certain classes of claims arising out of World War II, primarily those of American internees and prisoners of war maltreated by the enemy during their imprisonment. The Act added section 39 to the Trading With the Enemy Act, as amended, ^{14/} which specifically provided that property of the Governments and nationals of Germany and Japan shall not be returned except as authorized in section 32, and no compensation shall be paid with respect to such property. The net proceeds available after the completion of the administration of German and Japanese vested property are to be covered into the Treasury for deposit in the War Claims Fund. The awards which the War Claims Act of 1948 authorizes in respect of war claims arising out of World War II and certain of the administrative expenses of the Foreign Claims Settlement Commission are paid out of this fund.

As of June 30, 1955 the Office of Alien Property had transferred on the books of the Treasury Department to the account of the War Claims Fund the sum of \$225,000,000.

PHILIPPINE VESTED PROPERTY

The transfer of the jurisdiction and administration of vested property located in the Philippine Islands from the Philippine Alien Property Administration to the Office of Alien Property was effective June 29, 1951. The provisions of Executive Order 10254 of June 15, 1951, effecting the transfer, stipulated that all necessary expenses incurred in the administration of Philippine vested property be paid from funds or property or interests so transferred, to prevent diminution of funds otherwise available for future transfer to the War Claims Fund. This provision was necessary because the Philippine Property Act of 1946 ^{15/} provided that the proceeds of Philippine vested property, after liquidation and provision for the disposition of claims and suits, be turned over to the Republic of the Philippines.

The administration of Philippine vested property is kept separate from other vested property by the Office of Alien Property, and statistics shown in this subchapter are not shown nor included with other figures shown elsewhere in this Annual Report. The progress of the conversion of vested property into cash proceeds and the deductions therefrom are shown in table 2.

Through June 30, 1955 a total of \$8,677,203 had been realized from the sale and liquidation of vested Philippine property. In addition, \$1,329,683 of income before deductions and provision for reserve for expenses had been received from vested property. Of this amount, \$254,484 was received during the fiscal year 1955. At the close of the fiscal year approximately \$121,156 of vested property, consisting almost solely of personal property, had not been sold or liquidated. Transfers to the Philippine Government during the fiscal year amounted to \$150,000 under section 3 of the Philippine Property Act of 1946, making a total of \$2,578,607 so transferred as of June 30, 1955. Also

^{12/} 62 Stat. 1240.

^{13/} Excluding vested property in the Philippines.

^{14/} 50 U. S. C. App. sec. 39.

^{15/} 60 Stat. 418.

transferred during the fiscal year under section 3 of the Act were 46 parcels of improved and unimproved city property, 3 parcels of agricultural land, 33 parcels of personal property, 11,698 shares of capital stock (39% of issued and outstanding) of the Sumagui Timber Company, and 1,000 shares of the capital stock (100%) of the Gingoog Logging Corporation. Both the latter corporations were organized and are doing business under the laws of the Philippine Government.

Table 2.---STATEMENT OF REALIZATION OF PHILIPPINE VESTED PROPERTY, AS OF JUNE 30, 1954, FOR THE FISCAL YEAR 1955, AND AS OF JUNE 30, 1955

[Rounded to nearest dollar]

	Total at June 30, 1954	Fiscal year 1955	Total at June 30, 1955
Proceeds realized:			
Cash.....	\$2,080,069	\$50	\$2,080,119
Personal property.....	5,019,859	91,815	5,111,674
Real estate.....	1,301,258	175	1,301,433
Installment sales contracts.....	168,777	15,200	183,977
Total realized.....	8,569,963	107,240	8,677,203
Disbursements and charges:			
Transfers to Philippine Government 1/.....	2,428,607	150,000	2,578,607
Closed free account balances available for transfer to Philippine Government.....	37,987	(118,857)	(80,870)
Title and debt claims paid.....	88,450	8,297	96,747
General claims paid.....	960	.....	960
Direct expenses charged to vested property accounts.....	1,154,384	27,979	1,182,363
Provision for reserve for expenses based on 20% charge on principal collections 2/	1,672,907	19,935	1,692,842
Total deductions and charges.....	5,383,295	87,354	5,470,649
Balance in realization account.....	3,186,668	19,886	3,206,554

1/ Cash transfers only under sec. 3 of the Philippine Property Act of 1946.

2/ A reserve for expenses is provided by the Act. The figures used here are provided for by a reserve of 20 percent of the realization proceeds only.

LITIGATION

The Office of Alien Property is engaged in a variety of litigation, mainly involving the possession of vested property, its protection while in the hands of the Attorney General, and defense against improper claims. The litigation arises as a result of the administration of the Trading With the Enemy Act, as amended.

At the close of the fiscal year 1955 approximately 68 cases involving section 9(a) suits seeking the return of vested property were pending, compared with 80 at the close of the previous fiscal year. These suits seek the return of vested property valued at approximately \$177,029,000. The Office was active in 96 section 9(a) suits during the fiscal year, in 1,493 matters involving estates and trusts, in 728 cases involving insurance collections, and in 213 cases involving a diversified type of legal action. There were pending at the close of the fiscal year 1,128 cases involving estates and trusts matters, 188 cases involving insurance collections, and 116 diversified legal matters.

INTERCUSTODIAL PROBLEMS

An intercustodial problem arises between the United States and a foreign government when both governments claim the same item of property under their respective enemy property laws. 16/ In order to settle such intercustodial conflicts amicably and without litigation, the Attorney General and the Secretary of State are jointly authorized to conclude and implement agreements with foreign governments with which the United States has not been at war. 17/

The first agreement designed to resolve intercustodial conflicts between the United States and foreign governments became effective January 24, 1951. This Accord, known as the Brussels Intercustodial Agreement, 18/ is multilateral. It has been signed by the Governments of Belgium, Canada, Cuba, Denmark, Haiti, Honduras, Luxembourg, Nicaragua, The Netherlands and the United States. Another agreement was entered into with Norway in 1954. In the same year an agreement with Denmark was reached with respect to the application of the Brussels Intercustodial Agreement.

During the fiscal year ended June 30, 1955 progress was made in the implementation of the Brussels Agreement as well as the other intercustodial agreements. Cases in conflict with Canada, Denmark and Norway were resolved, as a result of which assets were released by the governments involved. Correspondence has been exchanged with the Government of Luxembourg for the purpose of identifying the cases in conflict with that country. In addition, studies have been made of the desirability of an intercustodial agreement with Mexico.

During the fiscal year extensive negotiations were conducted with The Netherlands Government for the purpose of resolving differences of interpretation of the Brussels Agreement and to work out the application of the Agreement to specific cases. Agreement was reached between the representatives of both governments resolving the major problems, but as of the close of the fiscal year formal approval had not as yet been given by either government.

FOREIGN FUNDS CONTROL

World War II blocking controls pursuant to Executive Order 8389, as amended, continued over the war-time assets of Iron Curtain countries and their nationals. More specifically, blocking was maintained over property of (1) Bulgaria, Hungary, Rumania and persons in any of these countries on January 1, 1945; (2) Czechoslovakia, Poland, Estonia, Latvia and Lithuania and persons in any of these countries on December 7, 1945 and (3) Eastern Germany and persons in that area on December 31, 1946. In general property acquired by these countries and their nationals after these dates is not blocked.

During the fiscal year further progress was made in the Scheduled Securities Program, designed to aid and restore to their original owners securities which were looted from occupied countries by Nazi Germany during the war. The Netherlands Government on behalf of itself and the original owners has filed claims under section 32 of the Trading With the Enemy Act, as amended, to many of the scheduled securities of United States issue which were vested by the Attorney General. Progress was made during the year in developing procedures in accordance with the Agreement between the United States and The Netherlands of January 9, 1951 to facilitate the resolution of these claims. Some of the securities deposited with the Federal Reserve Bank were removed from the scheduled list

16/ For a full discussion of this subject, see Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1954, pp. 6-8.

17/ 50 U. S. C. App. 40; Executive Order No. 10244 (16. F.R. 4639).

18/ See Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1954, p. 7.

during the fiscal year upon information satisfactory to the Office that the depositor thereof was a bona fide purchaser for value, or that the conflicting claims to the security were settled. Blocking restrictions were maintained on scheduled securities of foreign issue subject to General Ruling No. 5 in order to assist the efforts of foreign governments in recovering the securities for their original owners.

PUBLIC LAW 285 PROGRAM

Under Title II of the International Claims Settlement Act of 1949, as amended, by Public Law 285, 84th Congress, First Session, approved August 9, 1955, ^{19/} the President, or his designee, is authorized to vest all blocked property in the United States owned directly or indirectly by the Governments of Bulgaria, Hungary and Rumania and their nationals, except blocked property owned directly by natural persons. Such property is to be liquidated as expeditiously as possible and the proceeds thereof covered into the Treasury after completion of the administration and adjudication of claims and suits with respect thereto, as provided for in Title II. ^{20/}

By Executive Order 10644, dated November 7, 1955, ^{21/} the President designated the Attorney General, or the latter's designee, to perform the duties under Title II of the International Claims Settlement Act of 1949. The Attorney General's Order No. 106-55, dated November 23, 1955, ^{22/} designated the Assistant Attorney General, Director, Office of Alien Property, to perform the duties and responsibilities in the administration of Title II.

Under Title III of the International Claims Settlement Act of 1949, as amended, the Secretary of the Treasury is authorized to cover into funds known as the Bulgarian Claims Fund, the Hungarian Claims Fund, and the Rumanian Claims Fund, the funds attributable to the respective country or its nationals theretofore covered into the Treasury by the Attorney General pursuant to Title II of the International Claims Settlement Act of 1949, as amended. Those claims funds are to be the source of payment in respect of adjudications made by the Foreign Claims Settlement Commission in favor of eligible American nationals against Bulgaria, Hungary and Rumania as provided for in Title III of the International Claims Settlement Act of 1949, as amended.

Under the foregoing program, it is expected that the Office of Alien Property will issue in excess of 200 vesting orders taking title to blocked property valued at approximately \$25,000,000.

^{19/} 69 Stat. 562.

^{20/} For additional responsibilities by the Office under Title II, see supra, p. 4.

^{21/} 20 F. R. 8363.

^{22/} 20 F. R. 8993.

II

GENERAL DESCRIPTION OF CONTROLLED PROPERTY

This chapter presents descriptive and statistical information in summary form relating to the properties controlled by the Office of Alien Property. Excluding blocked foreign assets, 1/ controlled property is divided into two categories: (1) vested property and (2) property held in safekeeping. Since the latter is very small in relation to the former, all of the statistical tables and most of the descriptive summaries in this chapter concern vested property.

VALUE OF CONTROLLED PROPERTY

Property administered by the Office has been evaluated in two ways for purposes of this report, namely total property controlled and net equity vested. Total property controlled means the total amount of property over which the Office exercises control through vesting and safekeeping. Net equity vested means the estimated value of the vested property actually held by the Office of Alien Property on the indicated date.

As of June 30, 1955 total controlled property amounted to \$405,415,000. Of this amount, \$268,383,000 represented net equity vested. 2/ The \$137,032,000 difference represented (1) \$3,573,000 of property held in safekeeping, and (2) the \$133,459,000 difference between the total assets of controlled business enterprises in which interests have been vested and the estimated net value of these vested interests.

Property Not Included in Evaluations

There are some types of property (intangible) held by the Office which have not been included in the valuations of total controlled property or net equity vested. Were it practicable to value these properties, the amount shown for net equity vested would be higher. The following summary indicates the number of these properties held as of June 30, 1955:

<u>Type of property</u>	<u>Number of items</u>
Patents.....	11,587
Part interests in patents.....	270
Patent applications.....	1,675
Abandoned patent applications.....	523
Unpatented inventions.....	800
Copyrights.....	511,000
Trade-marks.....	311
Interests in patent contracts.....	339
Interests in trade-mark contracts.....	17
Interests in copyrights contracts.....	437
Motion picture film (000's of feet).....	34,757

Also excluded from the evaluations of property are assets, either directly vested or owned by business enterprises in which the Office holds substantial interests, which are located in what was formerly enemy or enemy-occupied countries, and which are known by this Office to be without value (particularly true for companies in liquidation).

1/ For details of the blocked foreign properties program, see Ch. I, pp. 7-8.
2/ Property remaining from World War I is excluded from these figures and is treated separately. See pp. 18-20.

NET EQUITY VESTED

In this section of the report, net equity vested as of dates of vesting means the total value of all vested property valued as of the dates when vesting occurred, without regard for any dispositions made of the property subsequent to vesting. Net equity vested as of June 30, 1955 means the value on this date of the vested property still held by the Office after changes in the value of the property since vesting and dispositions thereof.

Types of Property Vested

Table 3 shows net equity vested by types of property as of dates of vesting and as of June 30, 1955. The first column in the table indicates the types and values of all vested properties as of their dates of vesting. The second column presents the values of the properties as of June 30, 1955 still held by the Office. Reflected in the latter values are changes since dates of vesting including appreciation, write-offs of worthless property, sales and liquidations, and dispositions. Income from vested property is reflected in the first figure in the second column called "cash".

Changes in Net Equity Vested

Total net equity has declined from \$393,779,000 as of dates of vesting to \$268,383,000 as of June 30, 1955. The factors responsible for the \$127,075,000 decline are shown in table 4. The more important reasons for the reduction in net equity were: (1) the transfer of funds to the War Claims Fund pursuant to the War Claims Act of 1948, as amended, amounting to \$225,000,000; (2) the return of property to successful title and debt claimants in the amount of \$63,037,000; and (3) the use of funds to defray the administrative expenses of the Office in the amount of \$44,566,000. ^{3/} The decline in net equity was offset substantially by the appreciation of vested interests in property amounting to approximately \$154,827,000 and by income from vested property amounting to \$63,881,000 since dates of vesting.

Table 5 shows the value of vested property returned to nonhostile former owners by administrative or judicial action, classified by nationality of former ownership and by types of property. The value of vested property returned is computed at the time of return. It does not include payments made to debt claimants.

^{3/} The Office has actually expended the sum of \$49,300,000 on administrative expenses as of June 30, 1955. However, since vested property funds were used in the amount of \$44,566,000 only, due to the fact that approximately \$4,000,000 was authorized to be expended from World War I Administrative Expense Funds and approximately \$734,000 was used from miscellaneous receipts and revenues without diminution of World War II vested property, for purposes of determining net equity vested as of June 30, 1955, the \$44,566,000 figure is used.

Table 3.---NET EQUITY VESTED, MAR. 11, 1942, TO JUNE 30, 1955, CLASSIFIED BY TYPES OF PROPERTY, VALUED AS OF DATES OF VESTING AND AS OF JUNE 30, 1955
 [In thousands of dollars]

Types of property	As of dates of vesting	As of June 30, 1955
Cash.....	.....	1/ 57,474
Interests in vested business enterprises:		
Stock.....	110,664	113,495
Equity in enterprises whose assets or excess assets have been vested.....	49,057	4,371
Partnership interests.....	167	6
Other proprietary interests.....	50	.....
Bonds.....	582	.....
Notes and accounts receivable.....	11,072	1,877
Total.....	171,592	119,749
Royalties on patents, copyrights, and trade-marks (accrued prior to dates of vesting):		
Patents, patent applications, and patent contracts.....	10,222	.....
Copyrights and copyright contracts.....	1,108	.....
Trade-marks and trade-mark contracts.....	745	.....
Total.....	12,075	.....
Real property:		
Real estate.....	7,499	1,359
Mortgages.....	1,174	356
Ground rents, leaseholds, and other interests.....	162	1,196
Total.....	8,835	2,911
Personal property:		
Tangible personal property.....	1,389	215
Stocks (miscellaneous).....	23,150	51,098
Bonds.....	9,447	6,311
Other securities (coupons, etc.).....	152	242
Mortgage participations.....	488	47
Bank balances.....	34,891	466
Currency and coin.....	10,128	.....
Notes, claims, and credits.....	26,829	767
Life insurance and annuities.....	3,946	432
Total.....	110,420	59,578
Interests in estates and trusts:		
Decedents' estates.....	37,110	2,687
Trusts under wills.....	33,089	14,961
Trusts inter vivos.....	15,891	8,039
Guardianship estates.....	1,711	228
Total.....	87,801	25,915
Cash received per intercustodial agreements.....	3,056	2,756
Grand total.....	393,779	268,383

1/ These figures are net of direct expenses immediately borne by the vested property. Cash assets of vested business enterprises are excluded inasmuch as they are reflected in the valuation of "interests in vested business enterprises."

Table 4.---CHANGES IN NET EQUITY VESTED, MAR. 11, 1942, TO JUNE 30, 1955, FROM DATES OF VESTING TO JUNE 30, 1955

[In thousands of dollars]

Net equity as of dates of vesting.....		\$393,779
ADD:		
Net appreciation of interests in business enterprises.....	\$118,958	
Net appreciation of interests in real and personal property.....	35,869	
Net income on interests in vested property..	<u>63,881</u>	
		\$218,708
LESS:		
Property returned to nonhostile persons.....	-60,440	
Debt claims paid.....	-2,597	
Funds transferred to War Claims Fund.....	-225,000	
Funds transferred to the Treasury Department pursuant to Lombardo and reverse lend-lease agreements.....	-1,260	
Property turned over to foreign governments per intercustodial agreements.....	-300	
Direct expenses not allocated to specific types of property 1/.....	-9,941	
Conservatory and administrative expenses: 2/		
Allocated to specific alien accounts.....	-18,406	
Not yet allocated.....	<u>-26,160</u>	
		<u>-344,104</u>
		-125,396
Net equity vested as of June 30, 1955.....		<u>268,383</u>

1/ Wherever possible, figures in this report are shown net of direct expenses. These expenses arise from the vested property itself, and are not shown as an administrative expense of the Office. The total of \$9,941,000 shown here as not being allocated to specific types of vested property arises primarily from the payment of income taxes by the Office to Federal and state governments in behalf of enemy nationals whose vested property consisted of several different types of property. It is impractical to allocate these taxes to a specific type of property.

2/ The Office has actually expended \$49,300,000 for conservatory and administrative expenses in administering World War II vested property (see table 27, p. 92). However, since funds used for conservatory and administrative expenses included approximately \$4,000,000 from World War I Administrative Expense Fund, and in addition, receipts and revenues not arising directly from vested property, these miscellaneous receipts and revenues are not included in the net equity statistics in this report on World War II vested property. The actual amount of money used for conservatory and administrative expenses which reduced the available vested property funds of World War II is derived as follows:

Total conservatory and administrative expenses.....	\$49,300,000
LESS: miscellaneous revenues, receipts, and World War I Administrative Expense Fund.....	<u>4,734,000</u>
Conservatory and administrative expenses derived from World War II vested property.....	44,566,000

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Table 5.-----PROPERTY RETURNED BY ADMINISTRATIVE AND JUDICIAL ACTION, MAR. 11, 1942, TO JUNE 30, 1955, CLASSIFIED BY NATIONALITY OF FORMER OWNERSHIP 1/
[In thousands of dollars]

Type of property	Total	Nationality of former ownership						
		Ger- man	Jap- anese	Ital- ian	Hun- gar- ian	Ruma- nian	Bul- gar- ian	Enemy occu- pied 2/
Total.....	60,440	27,934	4,034	15,940	2,159	305	108	9,960
Cash.....	34,503	18,254	2,974	7,399	599	242	108	4,927
Interests in vested busi- ness enterprises.....	7,083	2,877	605	3,593	.....	8	.....	.....
Royalties on patents 3/....	4,959	59	.....	.....	.....	.....	.....	4,900
Real property.....	1,676	515	346	797	8	10	.....	.....
Personal property.....	6,398	4,742	109	1,415	.....	.....	.....	132
Interests in estates and trusts.....	5,821	1,487	.....	2,736	1,552	45	.....	1

1/ Does not include debt claims paid to creditors of former owners of vested property.

2/ The category enemy-occupied included interests as follows: French \$7,702,000; Danish \$1,232,000; Norwegian \$263,000; Polish \$8,000; Dutch \$328,000; Belgian \$107,000; Luxembourg \$60,000; and Czechoslovakia \$260,000.

3/ Represents certain accrued royalties in the hands of third parties which were assigned to claimants upon return of certain patent properties.

Nationality of Former Owners

Table 6 classifies net equity vested by nationality of former owners as of dates of vesting and as of June 30, 1955. Table 7 presents the changes in values of properties vested from nationals of each country together with all deductions therefrom from dates of vesting to June 30, 1955.

Cash Income from Vested Property

The Office received \$4,809,000 as gross income from all vested property during the fiscal year 1955, some \$350,000 greater than that received during the fiscal year 1954. The increase was primarily due to the larger dividends paid by corporations in line with the general high level of business activity whose securities are held by the Office. The allocation of cash received as income on vested property is shown in table 8 classified according to the type of property from which the income was derived.

Cash Proceeds of Liquidation and Sale

Cash proceeds from the sale and liquidation of vested property during the fiscal year 1955 amounted to \$14,358,000, making a grand total so received of \$314,461,000 before deductions for conservatory and administrative expenses directly allocated and direct expenses unallocated. The sum received during the fiscal year was approximately \$1,900,000 greater than that received during the fiscal year 1954. Data on the proceeds from sale and liquidation of vested property are shown in table 9 classified by type of property liquidated.

Table 6.---NET EQUITY VESTED, MAR. 11, 1942, TO JUNE 30, 1955, CLASSIFIED BY NATIONALITY OF FORMER OWNERSHIP, AS OF DATES OF VESTING AND AS OF JUNE 30, 1955
 [In thousands of dollars]

Date of valuation and type of property	Total	Nationality of former ownership						
		Ger- man ^{1/}	Jap- anese	Italian	Hunga- rian	Ruma- nian	Bulga- rian	Enemy occu- pied
Valued as of dates of vesting:								
Interests in vested business enterprises.	171,592	110,180	53,244	7,614	52	5	497	.....
Royalties on patents, copyrights, and trade-marks (accrued prior to vesting)....	12,075	3,859	3	1,130	199	1	1	6,882
Real property.....	8,835	5,978	1,927	780	57	89	4	.....
Personal property.....	110,420	98,172	9,801	1,309	239	429	25	445
Interests in estates and trusts.....	87,801	78,851	838	5,026	2,372	595	118	1
Received (gross) per intercustodial agree- ments.....	3,056	3,056	.....	.....	.....	.....	.....	.....
Grand total.....	393,779	300,096	65,813	15,859	2,919	1,119	645	7,328
Percent of total.....	100.0	76.2	16.7	4.0	.7	.3	.2	1.9
Valued as of June 30, 1955:								
Cash.....	^{2/} 57,474	268,005	36,197	290	1,169	679	497	1,797
Interests in vested business enterprises.	119,749	114,779	4,970	.....	.....	.....	.....	.....
Royalties on patents, copyrights, and trade-marks (accrued prior to vesting)....	.....	.....	.....	.....	.....	.....	.....	.....
Real property.....	2,911	2,385	463	63	.....	.....	.....	.....
Personal property.....	59,578	55,307	4,166	97	7	1	.....	.....
Interests in estates and trusts.....	25,915	24,450	297	944	104	88	32	.....
Received (net) per intercustodial agree- ments.....	2,756	2,756	.....	.....	.....	.....	.....	.....
Grand total	^{2/} 268,383	467,682	46,093	1,394	1,280	768	529	1,797

1/ The figures in this column include approximately \$2,500 of property formerly owned by residents of Austria, Sudetenland, and Danzig who were regarded as nationals of Germany at time of vesting.

2/ Funds for unallocated administrative expenses and the War Claims Fund transfers (\$251,160,000) have been deducted from this figure. These funds have not been allocated to specific alien property accounts and as a consequence have not been deducted from the nationality columns. The totals of all nationality columns, therefore, exceed the \$268,383,000 net equity vested as of June 30, 1955, by \$251,160,000, consisting of War Claims Fund transfers in the amount of \$225,000,000 and administrative expenses not yet recovered in the amount of \$26,160,000.

Table 7.---CHANGES IN NET EQUITY VESTED, MAR. 11, 1942, TO JUNE 30, 1955, FROM DATES OF VESTING TO JUNE 30, 1955, BY NATIONALITY OF FORMER OWNERSHIP

[In thousands of dollars]

Type of property	Total	Nationality of former ownership						
		German	Japanese	Italian	Hungarian	Rumanian	Bulgarian	Enemy occupied
Net equity vested as of dates of vesting.....	393,779	300,096	65,813	15,859	2,919	1,119	645	7,328
Added:								
Net appreciation of interests in vested business enterprises.....	118,958	120,129	(2,184)	1,004	6	3	.....	.....
Net appreciation of interests in real and personal property.....	35,869	47,448	(11,216)	(267)	(36)	(58)	(3)	1
Net income on interests in vested property.....	63,881	52,085	2,301	3,108	949	18	1	5,419
Sub-total.....	612,487	519,758	54,714	19,704	3,838	1,082	643	12,748
Less:								
Property returned to non-hostile persons.....	(60,440)	(27,934)	(4,034)	(15,940)	(2,159)	(305)	(108)	(9,960)
Debt claims paid.....	(2,597)	(1,759)	(773)	(11)	(45)	(1)	.....	(8)
Funds transferred to War Claims Fund 1/.....	(225,000)	.....	.....	.....	.....	.....	.....	.....
Property turned over to foreign governments per intercustodial agreements.	(300)	(300)	.....	.....	.....	.....	.....	.....
Funds transferred to the Treasury Department pursuant to Lombardo and reverse lend-lease agreements.....	(1,260)	.....	.....	(835)	.....	.....	.....	(425)
Direct expenses not allocated to specific types of property 2/.....	(9,941)	(7,324)	(838)	(1,166)	(227)	(4)	(5)	(377)
Conservatory and administrative expenses allocated to specific alien property accounts 3/.....	(18,406)	(14,759)	(2,976)	(358)	(127)	(4)	(1)	(181)
Conservatory and administrative expenses not yet allocated 1/.....	(27,160)	.....	.....	.....	.....	.....	.....	.....
Net equity vested as of June 30, 1955 1/.....	268,383	467,682	46,093	1,394	1,280	768	529	1,797

1/ Total amounts only are shown inasmuch as the charges have not been allocated to specific alien property accounts, and therefore have not been deducted from the nationality columns. The totals of all the nationality columns, therefore, exceed the \$268,383,000 net equity figure remaining as of June 30, 1955, by \$251,160,000, consisting of War Claims Fund transfers in the amount of \$225,000,000 and administrative expenses not yet recovered in the amount of \$26,160,000.

2/ See footnote 1, table 4, p. 12.

3/ See footnote 2, table 4, p. 12.

Table 8.---CASH INCOME ON PROPERTY VESTED, CLASSIFIED BY TYPE OF PROPERTY, MAR. 11, 1942 TO JUNE 30, 1955

NOTE.--These figures are net of direct expenses paid in connection with the operation of the vested property during the period of the Office's ownership. The classification according to type of property is based on the form in which the property was held at the time the income was produced. For example, cash income from real estate distributed to the Attorney General as a result of vesting an interest in a trust is classified as income from real estate.

Type of property	Total	July 1, 1954 to June 30, 1955	Mar. 11, 1942 to June 30, 1954
Interests in vested business enterprises:			
Stock.....	\$19,652,622.02	\$229,841.87	\$19,422,780.15
Equity in enterprises whose assets of excess assets have been vested.....	4,244.24	.....	4,244.24
Partnership interests.....	373,265.67	.....	373,265.67
Other proprietary interests.....	7,231.36	.....	7,231.36
Bonds.....	1,076,366.24	983,538.41	92,827.83
Notes and accounts receivable.....	98,373.00	1,585.27	96,787.73
Total.....	21,212,102.53	1,214,965.55	19,997,136.98
Royalties on patents, copyrights, and trade-marks (accrued subsequent to dates of vesting):			
Patents, applications, and contracts...	19,569,871.26	969,096.10	18,600,775.16
Copyrights and contracts.....	3,346,782.53	176,315.47	3,170,467.06
Trade-marks and contracts.....	1,240,126.07	51,536.75	1,188,589.32
Total.....	24,156,779.86	1,196,948.32	22,959,831.54
Real property:			
Real estate.....	1,976,251.74	113,727.93	1,862,523.81
Mortgages.....	132,711.73	4,939.28	127,772.45
Ground rents, leaseholds, and other interests.....	260,269.88	42,950.95	217,318.93
Total.....	2,369,233.35	161,618.16	2,207,615.19
Personal property:			
Tangible personal property.....	217,939.47	893.50	217,045.97
Stocks (miscellaneous).....	6,059,823.56	811,306.71	5,248,516.85
Bonds.....	2,243,902.05	518,857.92	1,725,044.13
Other securities.....	301,342.20	63,656.65	237,685.55
Mortgage participations.....	56,581.16	862.89	55,718.27
Bank balances.....	184,854.18	130,117.71	54,736.47
Notes, claims, and credits.....	165,885.73	1,914.04	163,971.69
Life insurance and annuities.....	198,880.84	49,805.71	149,075.13
Total.....	9,429,209.19	1,577,415.13	7,851,794.06
Interests in estates and trusts:			
Decedents' estates.....	243,175.09	25,490.80	217,684.29
Trusts under wills.....	4,619,886.87	414,523.53	4,205,363.34
Trusts inter vivos.....	1,813,511.55	217,186.27	1,596,325.28
Guardianship estates.....	37,226.64	900.00	36,326.64
Total.....	6,713,800.15	658,100.60	6,055,699.55
Sub-total.....	63,861,125.08	4,809,047.76	59,072,077.32
Conservatory and administrative expenses ^{1/}	(4,026,361.94)	(2,277,908.44)	(1,748,453.50)
Direct expenses not allocated ^{2/}	(8,082,396.80)	(2,939,871.76)	(5,142,525.04)
Grand Net Total.....	51,772,366.34	(408,732.44)	52,181,098.78

^{1/} Expenses allocated to specific alien property accounts upon return of the vested property or the payment of debt claims.

^{2/} The allocation of a direct expense to the type of property has proved impractical in certain cases in which several types of property may be involved.

Table 9.---CASH RECEIVED THROUGH LIQUIDATION AND SALE OF VESTED PROPERTY, CLASSIFIED BY TYPE OF PROPERTY, MAR. 11, 1942 TO JUNE 30, 1955

NOTE.--These figures are net of direct expenses paid in connection with the sale or liquidation of the vested property or to discharge liabilities incurred prior to vesting. The classification by type of property is based upon the form in which the property was held at the time of liquidation or sale. For example, cash received from the sale of real estate distributed to the Attorney General from a trust is classified as proceeds of real estate.

Type of property	Total	July 1, 1954 to June 30, 1955	Mar. 11, 1942 to June 30, 1954
Interests in vested business enterprises:			
Stock.....	\$108,630,575.70	\$2,297,117.34	\$106,333,455.36
Equity in enterprises whose assets or excess assets have been vested.....	22,901,813.55	3,574,526.77	19,327,286.78
Partnership interests.....	178,349.68	.....	178,349.68
Other proprietary interests.....	81,567.05	.....	81,567.05
Bonds.....	1,092,880.49	900,552.68	192,327.81
Notes and accounts receivable.....	7,227,806.97	35,403.41	7,192,403.56
Total.....	140,112,990.44	6,807,600.20	133,305,390.24
Royalties on patents, copyrights and trade- marks (accrued prior to vesting): 1/			
Patents, applications, and contracts.....	5,267,610.77	2/ (54,371.87)	5,321,982.64
Copyrights and contracts.....	1,104,411.56	2/ (3,189.68)	1,107,601.24
Trade-marks and contracts.....	744,583.15	.....	744,583.15
Total.....	7,116,605.48	(57,561.55)	7,174,167.03
Real property:			
Real estate.....	7,635,946.02	635,904.74	7,000,041.28
Mortgages.....	1,242,511.09	19,249.16	1,223,261.93
Ground rents, leaseholds, and other interests.....	118,456.16	64,818.94	53,637.22
Total.....	8,996,913.27	719,972.84	8,276,940.43
Personal property:			
Tangible personal property.....	1,002,103.29	20,438.73	981,664.56
Stocks (miscellaneous).....	27,725,133.63	808,200.24	26,916,933.39
Bonds.....	19,063,889.83	3,315,488.20	15,748,461.63
Other securities.....	223,464.20	67,283.36	156,180.84
Mortgage participations.....	582,009.91	2,403.32	579,606.59
Bank balances.....	30,708,045.77	694,861.70	30,013,184.07
Notes, claims, and credits.....	24,186,857.03	765,257.75	23,421,599.28
Currency and coin.....	10,054,883.66	.....	10,054,883.66
Life insurance and annuities.....	3,502,169.16	25,170.31	3,476,999.15
Total.....	117,048,556.48	5,699,043.31	111,349,513.17
Interests in estates and trusts:			
Decedents' estates.....	25,600,942.42	691,594.07	24,909,348.35
Trusts under wills.....	8,457,954.99	476,236.99	7,981,718.00
Trusts inter vivos.....	3,389,355.97	21,599.32	3,367,756.65
Guardianship estates.....	681,711.42	.....	681,711.42
Total.....	38,129,964.80	1,189,430.38	36,940,534.42
Received in cash per intercustodial agree- ments.....	3,056,000.00	.....	3,056,000.00
Sub-total.....	314,461,030.47	14,358,485.18	300,102,545.29
Conservatory and administrative expenses 3/	(14,379,460.86)	(2,586,898.74)	(11,792,562.12)
Direct expenses not allocated 4/.....	(1,858,424.37)	331,694.22	(2,190,118.59)
Grand Net Total.....	298,223,145.24	12,103,280.66	286,119,864.58

1/ Royalties on interests in patents, copyrights, and trade-marks that accrued prior to vesting are treated as principal. Royalties that accrued subsequent to vesting are treated as income.

2/ Excess of expenditures over cash proceeds.

3/ See footnote 2, table 8.

4/ See footnote 3, table 8.

PROPERTY HELD IN SAFEKEEPING

The Office has acquired some properties without the issuance of vesting orders. As of June 30, 1955 the estimated value of such properties was \$3,572,611. Of this amount, \$413,557 was in cash, \$3,117,592 was in securities and the balance of \$41,462 was in miscellaneous assets.

ASSETS REMAINING FROM WORLD WAR I

The World War I assets held by the Office of Alien Property as of June 30, 1955, amounted to \$807,999.25. There was a decrease of \$794,878.67 in the book value of the assets during the fiscal year.

A grand total of \$7,126,699.23 through June 30, 1955 had been transferred to the Secretary of the Treasury for deposit in the "German Special Deposit Account" under the provisions of Public Law 375, 80th Congress, First Session. 4/ Of this amount, \$461,912.17 was transferred during the fiscal year 1955, including \$147,572.20 which had been set aside and was held at the beginning of the fiscal year subject to the call of the Secretary of the Treasury for deposit in this account.

German funds in the amount of \$222,784.59 were transferred to the Secretary of the Treasury in accordance with the provisions of section 25(d) of the Trading With the Enemy Act, as amended, making a total of \$1,089,568.86 so transferred at the close of the fiscal year 1955.

A total of \$118,532.26 was paid on 51 allowed claims during the fiscal year and 168 active accounts were removed and transferred to Iron Curtain Trusts or otherwise disposed of because the claimants could not be located, or for other reasons.

Of the cash balance of \$807,993.25 on hand at June 30, 1955, the sum of \$5,111.05 is claimed by two alleged French citizens and \$1,380.93 is reserved for payment of a previously allowed French claim. A total of \$45,326.53 is claimed by citizens of so-called "Iron Curtain Countries". There was also on hand at the end of the fiscal year the sum of \$205,355.82 held in the name of the Austro-Hungarian Bank, the release of which is prohibited by the Trading With the Enemy Act, as amended, to anyone except the liquidators of the Bank. 5/

At the start of the fiscal year 1955, there were 257 pending claims filed by alleged French nationals for a total of \$69,003.56. During the fiscal year, 18 French claims in the total amount of \$33,099.44 were allowed and paid and 1 claim in the amount of \$2,601.15 was transferred to the German Special Deposit Account as required by Public Law 375. There were also transferred to the Unpayable Balances Account 127 claims in the total amount of \$26,730.48. Eight claims aggregating \$1,384.78 were transferred to the Czechoslovakian Trust and estate and income taxes were paid in the amount of \$107.68. As of June 30, 1955 there remained in the French series of trusts 2 pending claims for a total of \$5,111.05.

At the start of the fiscal year 1955, 12 Austrian claims which had been previously allowed were also on our books upon which payment in the amount of \$71,051.68 had not been completed. During the fiscal year these claims were paid in full. In addition, there were 18 pending Austrian claims for an aggregate amount of \$11,440.61 which were open for action. Of this number, 2 claims were allowed and paid. The sum of \$4,128.77, representing 5 claims was transferred to the German Special Deposit Account under Public Law 375 and 1 claim for \$24.19 was transferred to the Czechoslovakian Trust. The bal-

4/ 61 Stat. 789; 50 U. S. C. App. sec. 9.
5/ 45 Stat. 270 (50 U. S. C. App. sec. 9(b)(15)).

ance was disposed of by transfer to the Unpayable and Unclaimed Accounts Trusts. At the end of the fiscal year 1955, there were no pending claims remaining and the trust account had been closed.

At the start of the fiscal year, 49 claims by nationals other than French, Austrian and nationals of the Iron Curtain Countries were pending in the aggregate amount of \$65,184.62. Of these, 9 claims were allowed for a total amount of \$8,222.48 and the sum of \$40,639.49 representing 3 claims, was transferred to the German Special Deposit Account under Public Law 375. Fourteen claims for \$10,389.09 were transferred to Iron Curtain Trusts and the balance was transferred to the Unpayable Balances Account or otherwise disposed of. On June 30, 1955 there were no claims pending and no funds remaining in the account.

During the fiscal year 4 claims in the amount of \$1,071.91 were paid from the Unpayable Balances Account, 2 were allowed from the same account in the amount of \$3,366.13 and 11 claims, not included in the above classifications, were transferred to the German Special Deposit Account under Public Law 375 in the amount of \$4,144.47.

Also at the start of the fiscal year there was held in the so-called Chemical Foundation Trust, No. 46542, the sum of \$401,335.11. This amount was broken down into 6,442 units, 2,610 of which were German claimed, with 3,649 units unclaimed and 183 units claimed by nationals other than French, Austrian or others behind the Iron Curtain. The funds were disposed of after deduction of administrative expenses in the sum of \$8,026.70 by transfer of the German units in the amount of \$159,350.94 to the German Special Deposit Account, the unclaimed amount of \$222,784.59 to the German Special Deposit Account pursuant to section 25(d) and the 183 non-German units in the sum of \$11,172.88 to the Unpayable Balances Trust. There were no funds remaining in Trust No. 46542 on June 30, 1955 and the account is now closed.

There were five individual trusts (the Vollmer Estate) for German nationals open on the books of the Office at the start of the fiscal year in the total amount of \$33,613.90 and one individual German Trust Account of \$43,056.00. The balances held in these accounts were disposed of by the allowance of four claims from the Vollmer Estate Trusts for \$10,152.71 and the transfer of the remaining balances in the trusts to the German Special Deposit Account under Public Law 375.

There were two pending French claims for \$5,111.05 at the close of the fiscal year and one allowed French claim for which the sum of \$1,380.93 was reserved for payment. There were no other active trusts or pending claims of record.

From the above description of activities by the Office during the fiscal year 1955 on World War I claims, it is evident that the program involving active World War I claims has come to a close. The following tables indicate the activity during the fiscal year of the remaining funds involving World War I claims and the breakdown of particular assets comprising the funds.

Table 10.---CHANGES IN WORLD WAR I PROPERTY, JULY 1, 1954 TO JUNE 30, 1955

Value at July 1, 1954.....	1/	\$1,602,877.92
Add: Cash received.....		45,107.84
		<u>1,647,985.76</u>
Less:		
Payments to claimants (51 claims).....		-\$118,532.26
Administrative expenses.....		-11,172.06
Income and estate taxes.....		-8,001.55
Transfers to German Special Deposit Account		-687,266.37
Transfers to German Special Deposit Account		
for credit to interest bearing U. S.		
Treasury Certificates of Deposit.....		-14,708.49
Worthless assets written off.....		<u>-305.78</u>
		<u>-839,986.51</u>
Value at June 30, 1955.....	1/	807,999.25

1/ Excludes \$57,419,820.73 at July 1, 1954 and \$57,434,529.22 at June 30, 1955 of United States Treasury Certificates of Deposit which are considered worthless and are being omitted from the balances above. The value of these certificates is contingent upon the fulfillment of certain obligations of the German Government which have been in default since 1931.

Table 11.---COMPARATIVE STATEMENT OF WORLD WAR I PROPERTY HELD, APRIL 21, 1942, JUNE 30, 1954, AND JUNE 30, 1955

Type of property	April 21, 1942	June 30, 1954	June 30, 1955
Property in process of administration: 1/			
U. S. Treasury cash.....	\$9,014,305.51	\$1,452,281.70	\$807,993.25
U. S. Treasury cash held subject to call			
for transfer to German Special Deposit			
Account 2/.....	970,498.29	150,284.44	.....
Stocks.....	72.00	6.00	.....
Bonds.....	1.00	9.00	2.00
Real estate.....	29,915.00	214.00	.....
Mortgages.....	15,761.50	.....	.....
Miscellaneous assets.....	36.00	82.78	4.00
Total.....	\$10,030,589.30	1,602,877.92	807,999.25

1/ Excludes \$55,203,923.51 at April 21, 1942 and.....(see footnote 1 in table 10).

2/ Represents funds subject to call by the Treasurer of the United States for transfer to the German Special Deposit Account under the Settlement of War Claims Act of 1928 (45 Stat. 254, 50 U. S. C. App. sec. 9) or Public Law 375, or both.

III

BUSINESS ENTERPRISES

The Office of Alien Property has vested controlling or substantial interests in 435 business enterprises whose total assets at dates of vesting amounted to \$407,714,000. As of June 30, 1955 the Office had under its administration 78 enterprises, both active and in liquidation, with total assets of \$297,374,000, of which \$119,749,000 represented the value of the Attorney General's vested interests in net worth.

In the case of a corporation, the Office vested the enemy-owned capital stock. Where partnerships and other types of unincorporated businesses were involved, the Office vested the enemy proprietary interests where the enterprise was partially enemy-owned and all of the assets where the enterprise was fully enemy-owned. In the case of banks and insurance companies incorporated in an enemy nation, with a branch or office located in the United States, this Office vested the remaining excess assets after payment of claims and liabilities in accordance with the laws of the state or territory in which the institution was located. The Office, in addition to vesting ownership interests, also vested the interests of enemy creditors.

GENERAL DESCRIPTION OF VESTED ENTERPRISES

Status of Vested Enterprises

Of the 435 enterprises in which controlling or substantial interests were vested, the Office continued 102 as going concerns while the remaining 333 were either in liquidation at dates of vesting, placed in liquidation by the Office or remain inactive and dormant for certain reasons. Of the 102 continued in operation as active going concerns, 64 have been sold, 24 returned to their former nonhostile owners, and 1 merged with another vested enterprise prior to sale. The Office has completely liquidated 242 of the 333 enterprises in liquidation, and in addition, has sold 4 companies and returned the vested interests in 22 companies which were in liquidation. The Office of Alien Property continues to hold controlling or substantial vested interests in 13 active going business enterprises 1/ and 65 inactive or liquidation enterprises as of June 30, 1955.

The following summary, arranged according to the nationality of the former owners of the 435 enterprises, indicates the distribution of the enterprises and their total assets at dates of assumption of control and as of June 30, 1955:

Nationality of former ownership	Dates of vesting		June 30, 1955	
	Number of companies	Total assets	Number of companies	Total assets
German.....	221	\$290,897,000	41	\$267,120,000
Japanese.....	175	100,715,000	37	30,254,000
Italian.....	33	13,564,000	.....	.....
Other.....	6	2,538,000	.....	.....
Total.....	435	\$407,714,000	78	\$297,374,000

1/ This figure excludes certain minority interests which, although of substantial value, did not justify taking supervision of the particular enterprises.

ATTORNEY GENERAL'S INTEREST IN VESTED ENTERPRISES

The interests of the Attorney General in both net worth and obligations of the vested enterprises are shown in table 12. The value of the vested interests is based upon the net equity concept. Book values, although constituting the best available basis for valuation, do not accurately portray the value of the Attorney General's interest in certain of the enterprises. Accordingly, two general types of adjustments have been made, as follows: (1) in determining net equity vested, assets located in former enemy and enemy-occupied countries, especially those assets owned by companies in liquidation, have been analyzed and where they consist of valueless assets awaiting write-off on the books of the companies, have been treated as having no value; and (2) the book value of vested creditor interests has been adjusted to reflect the amounts that the Attorney General can expect to receive upon liquidation of the companies.

After making the above adjustments, the Attorney General's net equity in all vested enterprises is estimated at \$171,592,000 at dates of assumption of control and at \$119,749,000 as of June 30, 1955.

An analysis of the \$51,843,000 decline in net equity vested from dates of assumption of control to June 30, 1955 is presented in table 13. The major portion of the decline was caused by the sale of vested interests in business enterprises for which the Office of Alien Property received \$92,988,000 in cash and the payment of liquidating dividends by companies in liquidation in the amount of \$64,022,000. Offsetting this decline to a large degree was the amount of appreciation added to net equity on vested business enterprises totaling \$118,958,000.

Table 12.---NET EQUITY IN ALL VESTED ENTERPRISES, CLASSIFIED BY CHARACTER OF INTERESTS, AS OF DATES OF VESTING, AND AS OF JUNE 30, 1955

[In thousands of dollars]

Character of interests	As of dates of vesting	As of June 30, 1955
Total.....	171,592	119,749
Interests in net worth.....	159,938	117,872
Stock.....	110,664	113,495
Equity in enterprises whose assets or excess assets have been vested.....	49,057	4,371
Partnership interests.....	167	6
Other proprietary interests.....	50	.....
Interests as creditor.....	11,654	1,877
Bonds.....	582	.....
Notes and accounts receivable.....	11,072	1,877

It will be noted that the net equity of the Attorney General represented by stock interests in enterprises has actually increased slightly between dates of assumption of control and June 30, 1955 despite the sale and liquidation of stock interests in the interim. This situation is due primarily to the appreciation in book value of vested interests in General Aniline & Film Corporation from dates of assumption of control to June 30, 1955. As of the latter date, the book value of the Attorney General's interest in this one corporation was valued in excess of \$96,000,000, accounting for approximately 82 percent of the \$117,872,000 representing stock interests in all vested corporations. 2/

2/ See infra, pp. 40-41.

Table 13.---CHANGES IN NET EQUITY IN ALL VESTED ENTERPRISES, DATES OF ASSUMPTION OF CONTROL TO JUNE 30, 1955

[In thousands of dollars]

Net equity as of dates of assumption of control.....		\$171,592
Add:		
Net appreciation of vested interests.....	\$118,958	
Distribution of interests formerly owned by vested estates and trusts.....	2,369	\$121,327
Less:		
Liquidating dividends in cash and kind paid to the Office of Alien Property.....	-64,022	
Interests sold by the Office.....	-92,988	
Interests returned by the Office.....	-7,083	
Debts paid to the Office in cash and kind..	-9,380	
Transfer of minority interests in business enterprises to miscellaneous stock 1/....	-3,399	
	-176,872	
Deduct - direct expenses incurred in management and sale of vested interests..	3,702	
		-173,170
		-51,843
Net equity in vested business enterprises as of June 30, 1955.....		119,749

1/ Shares of stock remaining after the sale or return of the substantial interests.

OPERATION OF VESTED ENTERPRISES AS GOING CONCERNS

Of the 435 enterprises in which substantial or controlling interests have been vested by the Office of Alien Property, 102 were continued in operation on an active going basis. The sale of 64 companies, the return of the vested interests in 24 companies, and the merging of 1 concern, leaves 13 companies continued in operation under the control of the Office of Alien Property as of June 30, 1955.

Consolidated Comparative Balance Sheets

Table 14 gives a comparison of balance sheet items of the 13 active enterprises in which substantial or controlling interests are still held by the Office, as of dates of assumption of control and as of June 30, 1955. Total assets have increased from \$96,413,000 as of dates of vesting to \$230,033,000 as of June 30, 1955. Total net worth has advanced from \$56,541,000 as of dates of vesting to \$130,677,000 as of June 30, 1955, an increase of \$74,136,000 on the books of the enterprises. This increase of \$74,136,000 in total net worth is analyzed in table 15 to show the reasons for the change.

The 13 active enterprises still under the control of the Office as of June 30, 1955 had total operating profits of \$77,373,000 while under the supervision of the Office. Of this total, 11 companies made operating profits of \$77,576,000 while 2 companies had total operating losses of \$203,000. Capital adjustments on the books of the enterprises accounted for a net increase of \$16,236,000, while distributions of dividends in cash and kind reached \$18,741,000. Of the latter figure, the Office of Alien Property received \$8,600,000 as its share of the distributed profits.

Table 11.---CONSOLIDATED COMPARATIVE BALANCE SHEET OF 13 ACTIVE ENTERPRISES IN WHICH SUBSTANTIAL INTERESTS ARE STILL HELD BY THE OFFICE OF ALIEN PROPERTY AS OF JUNE 30, 1955, DATA SHOWN AS OF DATES OF VESTING AND AS OF JUNE 30, 1955

[In thousands of dollars]

Balance sheet items	As of dates of vesting	Additional interests vested	Changes reflected on books of enterprises	As of June 30, 1955
ASSETS, 1/				
Located in the United States.....	70,481	.....	104,900	175,381
Located in former allied and neutral countries..	442	.....	54,210	54,652
Located in former enemy and enemy-occupied countries.....	25,490	.....	(25,490)	2/
Total assets.....	96,413	.....	133,620	230,033
LIABILITIES AND NET WORTH				
Liabilities:				
Owing to residents of the United States.....	37,260	.....	24,648	61,908
Owing to residents of former allied, neutral and enemy-occupied countries.....	1,655	.....	35,693	37,348
Owing to residents of former enemy countries..	522	(544)	22	.....
Owing to Attorney General (vested).....	435	544	(879)	100
Total liabilities.....	39,872	.....	59,484	99,356
Net worth:				
Net worth of solvent enterprises.....	56,716	.....	74,312	131,028
Net worth of insolvent enterprises.....	(175)	.....	(176)	(351)
Total net worth.....	56,541	.....	3/ 74,136	130,677
Total liabilities and net worth.....	96,413	.....	133,620	230,033
Net worth of solvent enterprises distributed according to ownership interests:				
Vested in the Attorney General.....	45,187	1,186	66,037	112,410
Owned by others.....	11,529	(1,186)	8,275	18,618

1/ Receivables and claims are classified according to location of debtors; deposits according to location of depositaries; and securities according to location of issuers.

2/ See p

3/ For an explanation of the factors producing this change, see table 15.

Control Exercised by the Office

In all cases when the Attorney General acquired a substantial voting stock interest in a corporation, the vested shares are voted for the election of directors to the extent permitted by the corporation's bylaws. There have been instances when arrangements were made to elect one or more directors when the vested shares represented a substantial minority interest.

Responsibility for the conduct of the business of an active corporation rests with its board of directors and officers. Each active business enterprise operates under a general authorization by the Office of Alien Property permitting such transactions as are necessary for the normal functioning of the business. These authorizations, however, prohibit any unusual transactions, such as the sale of a substantial part of the assets

of the corporation or the issuance of additional capital stock. Certain specific types of transactions may also be prohibited by the general authorization, depending upon the circumstances in a particular case. Before any prohibited transaction may be undertaken by the enterprise a special authorization must be obtained from the Office.

Table 15.---FACTORS RESPONSIBLE FOR CHANGES IN NET WORTH OF 13 ACTIVE ENTERPRISES IN WHICH SUBSTANTIAL INTERESTS ARE STILL HELD BY THE OFFICE OF ALIEN PROPERTY AS OF JUNE 30, 1955, DATA SHOWN FROM DATES OF ASSUMPTION OF CONTROL TO JUNE 30, 1955
[In thousands of dollars]

Factors responsible for changes	Amount
1. Operating profits and losses (after taxes):	
Profits of 11 enterprises.....	\$77,576
Less: Losses of 2 enterprises.....	-203
Net change.....	\$77,373
2. Capital adjustments:	
Revaluation of assets (including losses and gains on sale of fixed assets, and changes in expenses and taxes applicable to periods prior to vesting):	
Gains.....	18,535
Losses.....	-2,299
Net change.....	16,236
3. Distribution to stockholders, partners, and other owners (including the Attorney General):	
Distributed profits in cash and kind.....	-18,741
Redemptions and purchases of stock by companies.....	-732
Net change.....	-19,473
Total changes in net worth of 13 active enterprises since dates of assumption of control (footnote 3, table 14).....	74,136

SALE OF VESTED ENTERPRISES AS GOING CONCERNS

During the fiscal year the Office sold substantial interests in 4 active business enterprises, making a total of 64 sold to June 30, 1955, plus 1 active company merged with another prior to sale. Proceeds from the sale of vested interests in active business enterprises has now reached \$92,961,000 in cash and \$7,159,000 in shares of stock of another vested enterprise. In addition, the Office was left with small minority interests valued at approximately \$2,857,000 at dates of sale of the majority interests. These minority interests have been transferred to miscellaneous securities and the value has been deducted from the Attorney General's net equity in business enterprises.

Therefore, as a practical matter, the Office has realized a total of \$102,977,000 in cash and additional interests in a vested business enterprise from the sale of its vested interests in active business enterprises as of June 30, 1955. This realized total compares with \$57,837,000, the book value of the sold interests at dates of assumption of control by the Office, and with \$80,423,000, the book value of the sold interests at dates of sale.

Enterprises Sold During Fiscal Year

UCHIDA INVESTMENT COMPANY.---By Vesting Order No. 478, dated December 11, 1942, and 10265, dated November 25, 1947, the Office vested 497 and 502 shares respectively of the capital stock of the Uchida Investment Company, which represented all of the 999 issued

and outstanding capital stock of the company. Prior to vesting 497 shares of stock were registered in the name of Waturu Kitigawa, a national of Japan, and 502 shares were registered partly in the name of George J. Inagaki and partly in the name of his wife, Yukie Inagaki. These latter shares were found to be owned beneficially by Waturu Kitigawa. The corporation is organized under the laws of the State of California and is engaged in the plant nursery business. The Office supervised the affairs of the corporation subsequent to vesting and the president of the company, George J. Inagaki, was retained as manager of the business.

In May of 1949 George and Yukie Inagaki filed section 9(a) suits to recover 451 and 51 shares of stock respectively, which had been vested by Vesting Order No. 10265. In October of 1950 Waturu Kitigawa filed a claim for the return of 497 shares of stock vested by Vesting Order No. 478. Subsequently the Uchida Investment Company commenced private suit against George J. Inagaki in the California State Courts to recover reasonable rentals for the use of the company's property. It appeared that in 1942, while George Inagaki was president of the company, he negotiated a lease of the company's property to a partnership composed of himself and one other person. The fact that Inagaki was a member of the partnership was not disclosed to the company or to the Custodian after vesting. Inagaki and his partner made substantial profits from operating the company's property under the lease and it was estimated that the maximum amount recoverable by the company would be about \$30,000.

Since the outcome of the section 9(a) suits appeared in doubt and since the company's suit against George Inagaki would entail expensive and lengthy litigation, a settlement of the 9(a) suits and the private litigation was approved June 1, 1954 along the following lines:

- (a) George Inagaki would pay to the Uchida Investment Company the sum of \$12,500, or slightly more than 40% of the sum sued for;
- (b) The Attorney General would transfer 502 shares of Uchida Investment Company capital stock, sued for in the section 9(a) actions, to the plaintiffs Inagaki but retain dividends which had been paid on the stock in the amount of approximately \$45,000;
- (c) The plaintiff, George Inagaki, would agree to purchase from the Attorney General the remaining shares of stock (497 shares) at a price to be determined.

It was determined that the book value of the company was \$163,803.13 as of May 31, 1954. The value of the 497 shares to be purchased by Inagaki, which represented 49.75% of the issued and outstanding shares of stock of the company, was determined to be \$81,492.06. This sale was approved by Sale Order No. 12,274-A on July 12, 1954. The sale was consummated on August 6, 1954 when the Office received a cashier's check for the amount of the sale together with dismissals with prejudice of the claims for the return of the 502 shares of stock.

AMERICAN FELSOL COMPANY.---By Vesting Order No. 54, dated July 22, 1942, amended November 28, 1944, there were vested 245 shares of the capital stock of American Felsol Company, incorporated under the laws of the State of Ohio, on the finding that the shares were owned by Roland Kommandit-Gesellschaft Osthoff and Co., a national of Germany. The 245 shares represented a 49% stock interest in the company. By Vesting Order No. 733, dated January 23, 1943, there was vested certain contract interests between the German firm and the company relating to the trade-mark "Felsol"; also the interest of Ernst Osthoff in and to a contract between himself and the company whereby he was to be paid a salary of \$1,800 quarterly. By Vesting Order No. 1766, dated July 8, 1943, amended November 28, 1944, there was vested all right, title and interest and claim by the German company in any obligations owed it by American Felsol Company.

The original company was incorporated on August 6, 1937, to take over the business theretofore carried on by W. C. Feicks, an American national, to distribute within the United States a remedy for asthma, hayfever, and other bronchial irritations which prior to the Second World War had been manufactured in Essen, Germany, by Ernst Osthoff and sold under the trade name "Felsol". The name of the company was later changed to Lorain Medical Company, which corporation was dissolved on August 19, 1937, after a new company, the present one, was incorporated. The remaining 51% of the stock in the present company is owned by Feicks. Following the start of World War II, all ingredients used in the preparation of the product "Felsol" were purchased in the United States and manufactured at the plant in Lorain, Ohio.

Meanwhile, by Vesting Order No. 5306, dated October 30, 1945, there was vested the goodwill and trade-mark property used by the corporation. Since the contract claims and goodwill and trade-mark interests vested by the Office had to be settled before a saleable interest could be developed in the vested shares of stock, negotiations were conducted between counsel for the company, Feicks' interests, and representatives of the Office of Alien Property which resulted in an offer dated January 28, 1948, on behalf of American Felsol Company and William C. Feicks, the 51% shareholder. The offer was in the amount of \$12,600 in full settlement of all disputed matters, and was accepted by the Attorney General.

Plans were thereupon perfected for offering the vested shares of stock at public sale. The prospectus and related forms for making the public offering were completed and the sale was advertised, with bid openings scheduled for December 15, 1949. The public offering resulted in the receipt of four bids, the highest submitted by American Felsol Company in the amount of \$41,000. This bid was rejected as inadequate and negotiations were initiated in an effort to have the offer increased. These negotiations extended over a period of several years and finally on September 30, 1954, American Felsol Company submitted an offer to purchase the vested 49% stock interest for \$65,000. Among other reasons for accepting the offer was the fact that since the \$41,000 bid had been rejected, the Office had received dividends of \$24,990. The sale was approved by Sale Order No. 12,304-A, dated October 11, 1954. The company tendered \$10,000 on account on October 11, 1954 and the balance was received on December 1, 1954, at which time the vested shares were transferred to the purchaser.

SEISEIDO SHOTEN, LTD.---Pursuant to Vesting Order No. 9867, dated September 24, 1947, the Attorney General vested 525 shares of capital stock of Seiseido Shoten, Ltd., Honolulu, Hawaii, as property owned by Yukio and Masanosuke Tomita, nationals of Japan. The vested shares represented 97.22% of the 540 issued and outstanding shares of capital stock of the company. Seiseido Shoten, Ltd., was organized under the laws of the Territory of Hawaii, December 10, 1938, to acquire the business of a sole proprietorship of the same name. The company is engaged principally in the wholesale and retail drug business in the Territory of Hawaii.

Since the company at time of vesting was in poor financial condition and in view of increasing competition in the drug business and the post-war change in economic conditions in the Territory, it was considered advisable to offer the vested shares for public sale by prospectus inviting sealed bids. The sale was held December 9, 1948, at which time one bid was received in the gross amount of \$39,375.00. The bid was offered jointly by five persons and was rejected by this Office when it was found that certain of them were ineligible to purchase the vested shares, since they had participated, prior to vesting, in a scheme to cloak true ownership of the stock. Shigeru Fujimori, who had previously filed administrative claim on April 29, 1948, for the return of 300 of the vested shares, filed a section 9(a) suit for the same shares on May 18, 1950. He based his claim on the contention that he had agreed to purchase the stock prior to vesting. The section 9(a) suit precluded further efforts to negotiate private or public sale, except with the plaintiff.

interested in submitting offers for the stock and real estate. The above listing included the price of the stock at \$70,000 and the real estate at \$120,350, or a total for both of \$190,350. In addition, news items appeared in the territorial newspapers announcing the sale. On April 29, 1955, as a result of efforts to obtain higher offers, five offers were received for the stock and real estate ranging from \$150,000 to \$170,240. On May 3, 1955, the bidder with the lowest offer increased his bid to \$175,000, payable \$50,000 cash and a mortgage of \$125,000 secured by the real estate and the 900 shares of stock. This obligation was to be payable at the rate of \$1,000 per month including interest at 5% per year and the balance due on said mortgage to be paid in full within five years from date thereof. On May 4, 1955, the offer was amended to pay \$25,000 in cash within 30 days from date of execution of the agreement. On May 11, 1955 the bidder was notified that his bid was rejected.

The offer of \$170,240, submitted by Elwood L. Christensen, contained the following terms with respect to payment thereof: cash of \$80,240 and a note for \$90,000. The note was to be secured by a mortgage on the real estate and bear interest at 5% per year, payable in three years from the date of the note (5/20/55) as follows:

\$10,000	plus interest one year from date of the note
10,000	" " " " " " " "
70,000	" " " " " " " "
<u>90,000</u>	

On May 9, 1955 it was recommended that the Attorney General accept the offer and on May 11, 1955 Sale Order No. 4,003-A was executed. On May 13, 1955 the sale was consummated and \$60,000 of the purchase price was allocated to the 900 shares of stock and \$110,240 was allocated to the real estate.

Sales Procedure

The policy of the Office regarding its vested interests in business enterprises is to dispose of such interests as rapidly as circumstances permit. All pending litigation contesting title must be eliminated prior to sale.

The Office generally utilizes a public sale by means of sealed bids in disposing of its substantial vested interests in an enterprise. This procedure affords the widest possible participation in the sale. A prospectus is prepared containing detailed information on the operations of the company, including the procedures for the sale, accompanied by a statement of terms and conditions, form of bid, questionnaire, and notice of sale.

Where the interests to be sold either represent voting control or majority control of a particular company and it appears probable that the offering will be of interest to underwriters who intend to make an immediate public distribution of the shares under circumstances requiring registration of the securities, the Office directs the company to file a registration statement with the Securities and Exchange Commission. Such registration statement meets the same requirements of the Commission as any registration statement filed by a private concern issuing shares of stock for public distribution. In other cases where a registration statement is not deemed necessary, the Office attempts to conform with the standards of the Securities and Exchange Commission in its prospectus and related documents, although no registration statement is filed with the Commission.

Each sale is advertised in newspapers and national periodicals, in order to afford the widest possible coverage for the sale. In addition, the Office maintains a mailing list of interested persons, numbering approximately 3,000, who receive notices of sales at the time of public announcement of the proposed sale. A prospectus and related documents are made available to all persons who request them.

A period of 15 days or more is generally allowed from the time of announcement of the sale to the date for opening of bids to afford prospective purchasers sufficient time to appraise the value of the interests being offered. In order for the Office to establish the eligibility of a purchaser, a questionnaire must be filed at the time specified in the statement of terms and conditions governing the sale. The questionnaire affords the Office full information on matters concerning antitrust questions and the citizenship qualifications of the bidder.

Bids are submitted on a form of bid provided for that purpose. Each offer must be accompanied by a deposit specified in the statement of terms and conditions governing the sale. The deposit is applied to the purchase price of the successful bidder, while all other deposits are returned to unsuccessful bidders at or before the time of announcement of award to the successful bidder.

Depending upon the nature of the offering, the Attorney General allows himself anywhere from 24 hours to 30 days to consider the acceptability of the bids received. The time period is always stated in the statement of terms and conditions of the sale. The purchaser is required to pay the balance of the purchase price above his deposit at the time of the consummation of the sale. All proceeds from the sale of vested interests are deposited in the Treasury of the United States as required by law.

LIQUIDATION OF VESTED ENTERPRISES

Of the 435 business enterprises in which substantial interests have been vested by the Office of Alien Property, 333 were either in liquidation at the time of assumption of control, placed in liquidation by the Office or remain dormant and inactive for certain reasons. Those companies that were placed in liquidation by the Office were either unable to operate profitably or their continued operation would not serve the national interest. Of the 333 companies in liquidation, 29 enterprises are banks and insurance companies which are discussed separately in the succeeding section of this chapter.

Of the 304 remaining companies in liquidation 227 have been completely liquidated by the Office as of June 30, 1955. In addition, the Office has sold the vested interests in 4 companies while in liquidation and has returned the vested interests in 14 companies in liquidation. As of June 30, 1955 the Office continues its liquidation of 59 enterprises in which substantial or controlling interests have been vested.

Progress of Liquidation

Table 16 indicates the progress of liquidation by the Office by showing a comparison of balance sheet items of the 227 companies completely liquidated and the 59 companies still being liquidated at June 30, 1955. The first column of the table gives the balance sheet items for the completely liquidated companies as of their dates of assumption of control. The second column indicates the balance sheet items as of dates of assumption of control of the 59 companies still in the process of liquidation at June 30, 1955. The third column shows the net change on the books of the enterprises (both completely liquidated and in process of liquidation) as a result of the liquidating efforts of the Office. The fourth column shows the balance sheet items as they are still reflected on the books of the 59 companies in the process of liquidation, since those balance sheet items of the 227 companies completely liquidated amount to zero at June 30, 1955, as far as the books of the enterprises are concerned.

In some cases, the remaining assets shown in the fourth column of table 16 have involved difficulties in liquidation. Legal matters have delayed the disposition of substantial amounts of cash held by a few companies. Certain of the receivables, claims and deposits are difficult of collection while others may prove uncollectible. Silesian-American Corporation alone has physical properties located in what was formerly German-occupied Poland and is now Russian-held Poland valued at more than \$30,000,000, the col-

Table 16.---CONSOLIDATED COMPARATIVE BALANCE SHEET OF VESTED ENTERPRISES (EXCEPT BANKS AND INSURANCE COMPANIES) COMPLETELY LIQUIDATED AND STILL IN LIQUIDATION AS OF JUNE 30, 1955, DATA SHOWN AS OF DATES OF ASSUMPTION OF CONTROL AND AS OF JUNE 30, 1955
[In thousands of dollars]

Balance sheet items	As of dates of assumption of control		Changes reflected on books of companies	As of June 30, 1955
	Liquidated on June 30, 1955	In liquidation June 30, 1955		
ASSETS 1/				
Located in the United States:				
Cash.....	6,941	7,462	(4,969)	9,434
Receivables.....	2,070	1,286	(2,971)	385
Inventory.....	3,547	1,974	(5,516)	5
Investments.....	3,215	4,199	(4,119)	3,295
Fixed assets.....	5,909	606	(6,497)	18
Intangibles.....	1,266	27	(1,291)	2
Deferred charges.....	151	16	(166)	1
Claims and deposits.....	407	4,099	(3,245)	1,261
Total assets in United States..	23,506	19,669	(28,774)	14,401
Located in former allied and neutral countries.....	5,386	1,719	(5,683)	1,422
Located in former enemy and enemy-occupied countries.....	4,176	36,603	(4,430)	36,349
Total assets.....	33,068	57,991	(38,887)	52,172
LIABILITIES AND NET WORTH				
Liabilities:				
Owing to residents of the United States.....	5,349	21,258	(1,988)	24,619
Owing to residents of former allied, neutral, and enemy-occupied countries.....	2,534	971	(2,697)	808
Owing to residents of former enemy countries.....	2,705	3,509	(5,933)	281
Owing to Attorney General.....	5,879	442	(3,991)	2,330
Total liabilities.....	16,467	26,180	(14,609)	28,038
Net worth:				
Net worth of solvent companies...	18,873	37,668	(22,902)	33,639
Net worth of insolvent companies	(2,272)	(5,857)	(1,376)	(9,505)
Total net worth.....	16,601	31,811	2/ (24,278)	24,134
Total liabilities and net worth	33,068	57,991	(38,887)	52,172
Net worth of solvent enterprises distributed according to ownership shares:				
Vested in Attorney General.....	13,444	21,765	(16,036)	19,173
Owned by estates and trusts in which Attorney General is sole beneficiary.....	280	.....	(280)	.....
Owned by others.....	5,119	15,903	(6,586)	14,466

1/ Receivables and claims are classified according to location of debtors; deposits according to location of depositaries; and securities according to location of issuers.

2/ For a breakdown of this figure, see table 17.

lection of any part of which appears remote at this time.

In the process of its liquidating functions, the Office has succeeded in reducing domestic assets of those companies in liquidation or completely liquidated from a total of \$43,175,000 at dates of assumption of control to \$14,401,000 at June 30, 1955, a reduction of \$28,774,000 on the books of the companies. Total liabilities have also been reduced from \$42,647,000 to \$28,038,000, a reduction of \$14,609,000 between dates of assumption of control to June 30, 1955. As a result of the above, net worth of these companies has dropped from \$48,412,000 to \$24,134,000, a reduction of \$38,887,000. Table 17 shows the factors responsible for this reduction in net worth between dates of vesting and the close of the fiscal year 1955.

Table 17.---FACTORS RESPONSIBLE FOR CHANGES IN NET WORTH OF LIQUIDATED AND IN LIQUIDATION ENTERPRISES, DATES OF ASSUMPTION OF CONTROL TO JUNE 30, 1955
[In thousands of dollars]

Net worth as of dates of assumption of control.....	\$48,412
Operating profits and losses: ^{1/}	
Profits of 84 companies.....	\$4,472
Losses of 176 companies.....	-8,174
Net change.....	-\$3,702
Capital gains and losses:	
Capital gains.....	9,553
Capital losses.....	-7,998
Net change.....	1,555
Distributions to stockholders and other owners (including the Attorney General):	
Regular dividends.....	-2,791
Liquidating payments in cash and kind.....	-19,340
Net change.....	-22,131
Total net changes.....	-24,278
Net worth as of June 30, 1955.....	24,134

^{1/} 26 companies had neither profits nor losses.

Of the total liquidating payments made in cash and kind, the Office of Alien Property received a total of \$12,963,000 in cash and \$4,939,000 in assets in kind, or a total of \$17,902,000 of the \$19,340,000 paid out by the companies completely liquidated or still in liquidation as of June 30, 1955.

Procedure in Liquidation of Corporations

The first step in the liquidation of corporations in which the Office of Alien Property has the controlling or substantial interests is the cancellation of the existing certificates for vested stock and the issuance of new certificates in the name of the Attorney General. The corporation is then restaffed with personnel of the Office of Alien Property. When necessary the corporate structure is amended to facilitate liquidation and corporate procedures. Inventory and appraisal of all physical property follow, together with a review of all other assets and a determination of the corporation's fiscal and tax status. Liquidation of the physical property may be carried out through the usual trade channels by public sale, or through negotiated offers, depending on the method most advantageous to the Office and the corporation. Other assets, such as receivables and claims, must also be reduced to cash.

Claims against the corporation are reviewed, their validity determined, and necessary steps taken to dispose of them. Following the issuance of a dissolution order by the Office, the proceeds of the liquidation are distributed in accordance with applicable State and Federal laws.

ACCOUNTS RECEIVABLE.---In collecting accounts receivable, it is first necessary to develop information to show that the debt is due and owing by the person, firm or corporation indicated to be the obligor by the books of the liquidating company. In some instances, making and enforcing the demand results in counterclaims by the obligor based on agreements alleged to have been made prior to vesting between the company and the obligor. If the files of the liquidating company are not sufficiently clear to refute such claims, a compromise offer of settlement may be sought. When the initiation of a suit to enforce a collection is necessary, the matter is referred to counsel for the company.

PAYMENT OF CLAIMS.---Among the primary responsibilities of the Office in its liquidation program is the prompt payment of all valid claims against the corporation being liquidated. Payments are made as the liquidation of assets progresses. In the case of an insolvent corporation having substantial assets, pro rata payments are made to the extent possible from available funds to all creditors whose claims have been allowed. Funds are reserved for the payment of contingent claims.

LIQUIDATING DIVIDENDS.---In a 100 percent stock vesting, the declaration and payment of a liquidating dividend is preceded by:

1. Liquidation of assets, either completely or to the point where there are sufficient funds to pay all creditors' claims in full.
2. Payment of creditors' claims.
3. Dissolution of corporation.

Because means of expeditious closing of corporate cases are not always provided in applicable state statutes, the Office has accelerated the final distribution of liquidating dividends to itself in cases where it is sole stockholder by issuing "Dissolution Orders"; these orders are directive to the corporate officers and directors and provide for the manner of winding up corporate affairs and making the final distribution of assets. Dissolution orders ^{3/} are based on a review of all actions taken since the capital stock of the corporation was vested and a determination of the extent to which the liquidation and dissolution of the company in accordance with state law has progressed. The orders provide for the payment of a final liquidating dividend either wholly in cash or partly in unliquidated assets. Liquidating dividends are paid partially in kind if the nature of some of the assets would delay the complete liquidation of a corporation. Dividends paid in kind generally consist of securities and accounts receivable involving difficult collection problems. The dissolution order speeds up the payment of a liquidating dividend by directing the turning over to the Office, as the sole shareholder, all remaining assets after creditors' claims have been paid, without waiting for the expiration of the statutory period which may be required under applicable laws of the state in which the company is incorporated. The order also provides for exculpation of the officers and directors in making such payments before the expiration of the waiting period.

Where the vested interest of the Office is a majority interest but not 100 percent, the same procedure is followed in making liquidating distributions, except that before the dissolution order is issued it is necessary for the other stockholders, exclusive of the Attorney General, to furnish bond to protect the officers and directors of the corporation as well as the Attorney General in the event that creditors' claims not shown on the books are asserted and allowed prior to the expiration of the waiting period.

^{3/} For a list of dissolution orders issued during the fiscal year 1955, see Appendix, Exhibit C, p. 97.

If only a minority interest in a corporation has been vested, the management is generally not designated by the Office. No dissolution orders are issued but the plans of distribution adopted by the officers and directors are passed on by the Office if supervisory powers are in effect.

Procedure in Liquidating Unincorporated Enterprises

In liquidating the vested assets of unincorporated enterprises, the procedure followed is first to take possession or control of the vested properties. The properties are then inventoried and appraised. In preparing for and carrying out the sale of the assets, the Office follows sec. 501.25 of the Regulations of the Office of Alien Property. ^{4/} This regulation requires, except as provided therein, that property be offered for sale through sealed bids publicly opened and recorded. When public offerings do not produce adequate bids, negotiations are undertaken with prospective purchasers in order to obtain satisfactory offers. Receivables and claims, and other assets are reduced to cash, generally through negotiation with the other parties involved.

CLAIMS.---Claims asserted against unincorporated vested enterprises must necessarily be handled in a different manner than those made against corporations in which interests have been vested. A corporation, as a legal person, can proceed to pay claims against it or can be sued by claimants the validity of whose claim is questioned. When the Office assumes control of an unincorporated enterprise through the issuance of a vesting order taking title to the assets of the company, there frequently are outstanding claims against the property that arose from ordinary business transactions prior to vesting. Such claims can be paid only by the Office. The procedure for payment of such claims is contained in Public Law 671, 79th Cong., 2d sess., approved August 8, 1946. ^{5/} For a fuller discussion of claims, see Chapter VI, "Claims".

LIQUIDATION OF BANKS AND INSURANCE COMPANIES

During the fiscal year 1955 the liquidation of five Japanese banks was completed by or under the supervision of this Office:

Sumitomo Bank, Ltd., San Francisco Office
Sumitomo Bank, Ltd., Los Angeles Office
Sumitomo Bank of California
Pacific Bank, Ltd.
Yokohama Specie Bank, Ltd., Honolulu Branch

The first three of these banks were liquidated directly by the Superintendent of Banks of the State of California, the fourth was liquidated by Liquidating Trustees, and the last was liquidated directly by this Office. This Office had vested the "excess proceeds" of the San Francisco and Los Angeles Offices of the Sumitomo Bank, Ltd., and had vested 1,440 out of 1,450 shares (99.31%) of the issued and outstanding capital stock of the Sumitomo Bank of California, a corporation organized in that state. A substantial stock interest had been vested in the Pacific Bank, Ltd., a Hawaiian banking corporation, while "all property" had been vested of the Yokohama Specie Bank, Ltd., Honolulu Branch.

The Office continues its supervision of the liquidation of five banks ^{6/} and one

^{4/} 8 CFR 501.25.

^{5/} 60 Stat. 925, 50 U. S. C. App. sec. 34.

^{6/} The San Francisco and Los Angeles Offices of the Yokohama Specie Bank, Ltd., heretofore have been treated as separate liquidations, although the Los Angeles Office of the bank was a sub-office of the San Francisco Office prior to the outbreak of war. Inasmuch as the problems remaining in the liquidation of the Los Angeles Office are for the most part problems which exist also in the San Francisco Office liquidation, the latter and the Los Angeles sub-office liquidation have been merged on our records and are now treated as a single liquidation.

insurance company. These institutions are being liquidated by the appropriate state officials 7/ or by Liquidating Trustees 8/ under the supervision of this Office.

Progress of Liquidation

Table 18 indicates the financial condition of banks and insurance companies except those 6 banks and 2 insurance companies in which vested interests were returned to their former Italian owners. From dates of assumption of control to June 30, 1955 the progress of liquidation is shown. The first column of the table gives the balance sheet breakdown of the 15 banks and insurance companies completely liquidated at the close of the fiscal year 1955, as of their dates of assumption of control by the Office. The second column shows the same breakdown for the six companies still in the process of liquidation at June 30, 1955, as of their dates of assumption of control by the Office. The third column shows the net change on the books of the enterprises due to the liquidation efforts under the supervision of the Office, while the fourth column shows the items as they are reflected on the books of the companies at June 30, 1955. It should be noted that the last column reflects the balance sheet items of the same companies as shown in column two, since the fully liquidated banks and insurance companies shown in column one have no assets or liabilities reflected on their books as of June 30, 1955.

Table 18 shows that total assets of the 21 banks and insurance companies fully liquidated and still in the liquidation process as of June 30, 1955 have declined some \$56,982,000 under the liquidation supervision of the Office of Alien Property. The two principal factors in reducing total assets of the banks and insurance companies have been the payment of principal and interest dividends to creditors and the distribution to the Office of cash and assets in kind, such as receivables and securities. Non-liquid assets of \$26,334,000 book value, distributed to the Office from banks and insurance companies which have been liquidated or which are still in liquidation are no longer shown on the balance sheets of these companies. Of the above amount, approximately \$22,915,000 represents notes, claims, and credits, the liquidation of which presents a difficult problem inasmuch as a substantial amount of those claims are against other enterprises vested by the Office. The disposition of these claims must be carried out in conformance with the claims procedure established by the Office under section 34 of the Trading With the Enemy Act, as amended. 9/ The collection of many foreign claims has been complicated by the fact that the assets of the debtors have been seized or blocked by friendly foreign governments. During the fiscal year a small dollar amount was received from the Department of the Secretary of State of Canada pursuant to discussions held earlier with representatives of that Department regarding assets in Canada owned by a vested enemy bank in this country. The turnover was made in accordance with the "Proposals for Settlement of Certain Problems Arising under Conflicting Custodian Controls" adopted by the Custodian Agencies of the United Kingdom, Canada and the United States.

The Office received as dividends on vested bank stock or in compliance with turnover directives requiring the delivery of vested excess proceeds of bank liquidations

7/ Some of the vested institutions were being liquidated by state authorities prior to the establishment of the Office of the Custodian. In order not to interfere with the liquidation proceedings of the state authorities, vestings were addressed to the "excess proceeds" of such institutions remaining after the payment of creditors preferred under state law.

8/ In the State of Washington and in the Territory of Hawaii the liquidation of the enemy-owned or controlled banks was not undertaken by state or territorial authorities. The liquidations of the Sumitomo Bank of Seattle and the Sumitomo Bank of Hawaii, both of which are domestic corporations in which substantial stock interests were vested, are being conducted by Liquidating Trustees.

9/ 60 Stat. 925, 50 U. S. C. App. sec. 34.

Table 18.---CONSOLIDATED COMPARATIVE BALANCE SHEETS OF BANKS AND INSURANCE COMPANIES IN LIQUIDATION OR COMPLETELY LIQUIDATED AS OF JUNE 30, 1955, DATA SHOWN AS OF DATES OF ASSUMPTION OF CONTROL AND AS OF JUNE 30, 1955

[In thousands of dollars]

Balance sheet items	As of dates of assumption of control		Changes reflected on books of companies	As of June 30, 1955
	Liquidated on June 30, 1955	In liquidation June 30, 1955		
ASSETS 1/				
Located in the United States:				
Cash.....	10,671	18,252	(23,199)	5,724
Receivables.....	751	12,140	(11,819)	1,072
Investments.....	8,027	397	(8,422)	2
Fixed assets.....	109	7	(114)	2
Deferred charges.....	53	37	(85)	5
Claims and deposits.....	172	1,558	(1,730)	.....
Total assets in United States....	19,783	32,391	(45,369)	6,805
Located in former allied and neutral countries.....	447	4,775	(4,665)	557
Located in former enemy and enemy-occupied countries.....	297	14,458	(6,948)	7,807
Total assets.....	20,527	51,624	(56,982)	15,169
LIABILITIES AND NET WORTH				
Liabilities:				
Owing to residents of the United States.....	4,548	3,804	(4,636)	3,717
Owing to residents of former allied, neutral, and enemy-occupied countries.....	4	985	(989)	.....
Owing to residents of former enemy countries.....	412	471	(879)	2/ 4
Owing to the Attorney General.....	.....	.....	.....	.....
Total liabilities.....	4,964	5,260	(6,504)	3,720
Net worth:				
Net worth of solvent companies.....	15,563	46,364	(50,478)	11,449
Net worth of insolvent companies.....	.....	.....	.....	.....
Total net worth.....	15,563	46,364	(50,478)3/	11,449
Total liabilities and net worth..	20,527	51,624	(56,982)	15,169
Net worth of solvent companies distributed according to ownership shares:				
Vested in the Attorney General.....	15,254	46,345	(50,153)	11,446
Owned by others.....	309	19	(325)	3

1/ Receivables and claims are classified according to location of debtors; deposits according to location of depositaries; and securities according to location of issuers.

2/ Not vested for policy reasons.

3/ See textual table, p. 37 for breakdown of reduction in net worth.

a total of \$3,821,330 during the fiscal year 1955. In addition, the Office received assignments of assets in kind, consisting for the most part of judgments and obligations owed to the three California bank liquidations completed during the fiscal year. A small portion of these assets in kind subsequently were reduced to cash.

The Office also received the turnover of \$320,693, representing a portion of the vested excess proceeds of the remaining insurance company in liquidation, Sumitomo Marine and Fire Insurance Company, Ltd. These funds constituted the proceeds of Japanese Government dollar bonds and coupons thereon held by the New York Superintendent of Insurance, as Liquidator of the Company. The dollar bonds were among those revaluated by the Japanese Government as a result of the mission to Japan in 1951 by members of the staff of this Office. The Superintendent of Insurance was authorized during the fiscal year to enter into the compromise of claims by and against the liquidation which would reduce substantially the work involved in the completion thereof.

All of the banks and insurance companies liquidated or in the process of liquidation by state authorities and by liquidating trustees under the supervision of this Office have paid dividends of 100 percent on approved claims of creditors. The claims of creditors of those banks which were in liquidation directly by this Office must be settled in accordance with sections 32 and 34 of the Trading With the Enemy Act, as amended. 10/

Decline in Net Worth

The reduction in net worth of liquidated and in liquidation banks and insurance companies from \$61,927,000 at dates of assumption of control to \$11,449,000 at June 30, 1955, is reconciled as follows:

Net worth at dates of assumption of control.....	\$61,927,000
Liquidating gains and losses:	
Add: Gains of 10 companies.....	\$4,892,000
Less: Losses of 11 companies.....	<u>-2,124,000</u>
Net change.....	\$2,768,000
Distributions to stockholders and other owners (including Attorney General):	
Liquidating payments in cash.....	-26,912,000
Liquidating payments in kind.....	<u>-26,334,000</u>
Net change.....	<u>-53,246,000</u>
Total change in net worth.....	-50,478,000
Net worth of liquidated and in liquidation banks and insurance companies as of June 30, 1955.....	11,449,000

GENERAL ANILINE & FILM CORPORATION

Interest of the Office

The Office of Alien Property continues to hold 540,894 shares of the 592,742 outstanding shares of common "A" stock and all of the 2,050,000 outstanding shares of the common "B" stock of the corporation as of June 30, 1955. Holdings of the "A" shares represent 91.25 percent of the outstanding shares of stock, while the holdings of the "B" shares account for 100 percent of the outstanding shares.

10/ 60 Stat. 50, as amended 60 Stat. 930; 61 Stat. 784; 64 Stat. 1080; 66 Stat. 129; 68 Stat. 767, 50 U. S. C. App. sec. 32. 60 Stat. 925, 50 U. S. C. App. sec. 34.

PATENTS, COPYRIGHTS, AND TRADE-MARKS

The Office of Alien Property continues to control directly and indirectly a large volume of industrial and intellectual property consisting of patents, copyrights, and trade-marks, together with many contracts and license agreements relating thereto. The Office also supervises the administration of a large group of patents controlled by patent holding companies and other business enterprises, the majority of whose capital stock has been vested.

The copyright program of the Office includes the administration of several hundred thousand copyrighted literary and artistic works, such as scientific periodicals, technical treatises, motion pictures and musical compositions.

Although the vesting of trade-marks and trade-names was conducted on a selective basis only, the Office is responsible for regulating the transactions of trade-marks of nationals of Eastern Germany.

VESTED PATENTS AND PATENT APPLICATIONS

There are three main categories of patent properties controlled by the Office: (1) patents and pending patent applications of nationals of enemy countries, and countries formerly occupied by the enemy; (2) interests of nationals of enemy countries and formerly enemy-occupied countries in patent contracts and license agreements; and (3) patents and pending patent applications owned by patent holding companies and other enterprises in which enemy interests have been vested.

Property Vested

Patent properties, exclusive of patent contracts and license agreements, vested by the Office consisted of the following: 41,176 patents, 362 part interests in patents, 4,706 patent applications, 529 abandoned patent applications, and 868 inventions on which patent applications had been prepared but had not been filed.

Changes in Character of Property Since Vesting

Many of the patent properties controlled by the Office have undergone changes since dates of vesting. These changes have been due principally to the following: (1) the prosecution of patent applications before the United States Patent Office, which reduces the number of patent applications and increases the number of patents held; (2) the expiration of patents; and (3) the return of patent and patent applications to American citizens and nonhostile foreign nationals.

PATENT PROSECUTION.---Only those patent applications relating to new products or processes which appear to be of value to American industry have been prosecuted by the Office. As of June 30, 1955 the Office had been granted a total of 3,053 patents on vested patent applications. This work has been completed by the Office.

EXPIRATIONS.---Patents granted by the United States Patent Office expire 17 years from date of issue. As a result, a number of patents controlled by the Office expire each year. Approximately 1,917 patents expired during the fiscal year 1955, making a total of 30,383 expirations since dates of vesting. After deducting expirations and returns of vested patents, the Office still held approximately 11,857 unexpired patents at the close of the fiscal year.

RETURNS OF PATENT PROPERTY.---The Office returned to their former owners during the fiscal year 1955 a total of 81 patents, 1 part interest in a patent, 4 patent applications, 3 interests in patent contracts, and certain other industrial property. These returns were made under the authority of section 32 of the Trading With the Enemy Act, as amended. 1/ As of June 30, 1955 the Office had returned 2,255 patents, 92 part interests in patents, 136 patent applications, 100 interests in 94 patent contracts, and 16 inventions.

LICENSING OF VESTED PATENTS

Licensing Policy

FORMER ENEMY PATENTS.---Patents formerly owned by nationals of Germany and Japan under which there were no conflicting bona fide nonenemy rights outstanding at the time of vesting, are licensed on a revocable, nonexclusive, royalty-free basis. Patents vested from Italian nationals are licensed by the Office on a nonexclusive, nondiscriminatory, royalty-bearing basis. Where claims have been filed, royalty and other terms are to be agreed upon in advance by the applicant and former Italian owner. These terms must be acceptable to the Office of Alien Property. The Office collects the royalties until such time as the patents and royalties may be returned to their former owners. When vested Italian patents are returned to their former owners, they will remain subject to all outstanding licenses granted by the Office.

Licenses for the use of patents vested from nationals of Bulgaria, Hungary and Rumania generally are issued on a nonexclusive, royalty-bearing basis on terms acceptable to this Office.

NONENEMY PATENTS.---Section 32 of the Trading With the Enemy Act, as amended, authorizes the return of patents vested from friendly foreign nationals. Where claims have been filed with respect to any patent not yet returned, a nonexclusive, royalty-bearing license will be issued providing the applicant and the former owner can agree upon royalty and other terms acceptable to this Office. Where no eligible claims have been filed, formerly nonenemy-owned patents are licensed on a nonexclusive, royalty-bearing basis, the royalty terms to be agreed upon by the license applicant and this Office.

Extent of Licensing

The extent of licensing of vested patents on a cumulative and fiscal year basis is as follows:

	Cumulative total to June 30, 1955	Licensed during period July 1, 1954 to June 30, 1955	Cumulative total to June 30, 1954
Number of licenses granted.....	1/ 3,448	50	3,398
Number of patents and patent applications licensed (counting each patent as many times as it was licensed).....	15,061	326	14,735

1/ More than 99 per cent related to patents formerly owned by nationals of enemy countries.

1/ 50 U.S.C. App. sec. 32.

Encouragement of Use of Vested Patents

To provide a readily available listing of vested patents for prospective users, the Office maintains a library of "soft" copies and sets of abstracts of vested patents for public reference in the Washington Office. Upon request the Office supplies information on vested patents and patent abstracts to the public. During the fiscal year 1955 approximately 380 requests for general and technical information on vested patents were received by the Office and over 70 orders for sets and sections of patent abstracts were filled.

PATENT CONTRACTS

Interests in a large number of patents have been acquired by the Office, in addition to those directly vested, through vesting the foreign interests in patent contracts. Contracts, in which the rights and interests of foreign nationals have been vested, are of two principal types: (1) contracts whereby the patents have only been licensed to the American party, in which event title to the patents as well as the contract interests have been vested; and (2) contracts pursuant to which patents have been assigned outright and thus title to the patents is held by the American party to the contract.

A total of 1,218 interests of foreign nationals in 894 patent contracts have been vested at the close of the fiscal year 1955. Of the 1,218 interests vested, 965 had been owned by enemy nationals and 253 had been owned by nationals of former enemy-occupied countries; of the 894 patent contracts involved, 724 had been vested from enemy nationals, 153 from nationals of former enemy-occupied countries, while 17 patent contracts had had joint interests vested.

Problems of Administration and Disposition

The legality of patent contracts under the antitrust laws gives rise to one of the principal problems encountered by the Office of Alien Property in the administration and disposition of patent contracts.

ILLEGAL CONTRACTS.---The Office's policy with respect to illegal agreements was to cancel those under which the rights and interests in patents had been granted to Americans by their former owners who were nationals of Germany and Japan. 2/ Any licensee who voluntarily relinquished all claims relative to a patent involved and payed accrued royalties up to the date of the renegotiation, was granted an irrevocable, nonexclusive, royalty free license for the remaining life of the patent. All qualified applicants then received standard licenses. This procedure was also followed in cases in which patents were assigned. The Office of Alien Property cooperated with the Antitrust Division of the Department of Justice in the prosecution of any case in which a patent was involved in an antitrust civil action.

LEGAL CONTRACTS.---The policy of the Office regarding legal contracts is to permit Americans who have exclusive rights either by license or assignments under contracts with German and Japanese nationals to give up those rights in exchange for irrevocable, nonexclusive, royalty-free licenses. All other qualified applicants are then granted standard licenses.

The Office attempts in all cases to respect the legally acquired rights of the American party to the contract. However, where the right to terminate the contract is held by the Office, it may do so if there appears to be significant demand on the part

2/ Antitrust questions have also arisen with respect to property returned to eligible persons. In some cases, agreements which contained provisions restraining competition or which tended to create monopolies in violation of the antitrust laws were modified as a condition of return, and the claimant had to furnish appropriate assurance that the objectionable provisions would not be reinstated.

of other American nationals for licenses under the patent. When a patent contract is terminated, the American party is relieved of all future obligations under the contract.

PATENTS MADE AVAILABLE FOR LICENSING.---During the fiscal year 1955 a total of nine patents and patent applications have been made available for unrestricted licensing as a result of negotiations conducted by the Office with the American parties to patent contracts. Of the nine, three were royalty-free and six were royalty-bearing.

A total of 4,825 patents and patent applications have been made available for licensing by the Office through interpretation ^{3/} or termination of certain contracts during the period March 11, 1942 to June 30, 1955. This total broken down by type of licensing is as follows:

Type of Licensing	Number of patents and patent applications
Unrestricted royalty-free licensing.....	4,613
Restricted royalty-free licensing.....	138
Unrestricted royalty-bearing licensing.....	74

COLLECTION OF ROYALTIES.---As of June 30, 1955 the Office had collected a net total of \$24,837,482.03 in royalties due under vested patents and patent contracts. Of this amount, \$914,724.23 was collected during the fiscal year 1955. Table 19 classifies royalty collections by nationality of former owners of the rights to the royalties.

Table 19.---ROYALTIES COLLECTED UNDER VESTED PATENTS AND PATENT CONTRACTS, MAR. 11, 1942, TO JUNE 30, 1955, CLASSIFIED BY NATIONALITY OF FORMER OWNERSHIP

Nationality of former owners of patents and interests in patent contracts	Total	Accrued prior to dates of vesting	Accrued subsequent to dates of vesting
Total.....	\$24,837,482.03	\$5,267,610.77	\$19,569,871.26
German.....	19,637,519.39	3,311,017.91	14,250,208.65
Japanese.....	841.79	.....	841.79
Italian.....	1,252,318.28	534,258.88	718,059.40
Hungarian.....	427,772.32	78,944.47	348,827.85
Rumanian.....	1,597.18	.....	1,597.18
Belgian.....	200,670.35	70,938.63	129,731.72
Czechoslovakian.....	425,104.32	154,859.70	270,244.62
Danish.....	76,905.09	46,541.45	30,363.64
Dutch.....	343,809.47	117,372.35	226,437.12
French.....	3,104,409.48	791,087.39	2,313,322.09
Luxembourg.....	314,600.63	84,779.68	229,820.95
Norwegian.....	1,128,450.74	78,085.31	1,050,365.43
Polish.....	^{1/} (275.00)	^{1/} (275.00)	.....
Swiss.....	50.82	.....	50.82

^{1/} Excess of expenditures over cash income.

^{3/} Many patent contracts grant licenses within restricted fields and hence do not cover the full scope of the patent, or in the case of nonexclusive licenses the contract may contain "most favored" license provisions. Such contracts must be carefully analyzed in order to ascertain the scope and character of the rights of the Office to issue additional licenses.

PATENT RIGHTS OF VESTED CORPORATIONS

Administration of Corporate-Owned Patents

The Office controls many patents indirectly through the vesting of enemy interest in American corporations. These patents are licensed on a nonexclusive, reasonable royalty basis. The principal objectives of this policy are to promote competition in the fields affected and to provide a source of royalty revenue to the vested enterprises. A license will not be granted if in the opinion of the Attorney General it would be prejudicial to the maintenance of competition in a specific field. An agreement on the royalty rate to be charged is negotiated directly by the applicant for a license and the vested company concerned. Each agreement must be submitted for review and approval by the Office before it may be signed by the vested enterprise. If an agreement cannot be reached as to the terms and conditions of a license by the license applicant and the vested company, then the Office attempts to conciliate their differences.

In accordance with this policy, patents of General Aniline & Film Corporation continue to be available on a nonexclusive, reasonable royalty basis.

COPYRIGHTS: GENERAL

The Office of Alien Property controls and administers copyrights and related rights in scientific books, periodicals, motion pictures, music, plays, paintings, photographs and other types of literary and artistic works of foreign origin. The Office grants licenses for the exploitation of these vested works. The various types of exploitation include, among others, the republication of books, periodicals and sheet music and publication of translations and revisions thereof; the production, distribution and exhibition of motion pictures; the theatrical performance of plays and operas; performances on radio and television; and the recording of musical compositions. The Office also administers contracts entered into before the war between foreign copyright owners and American exploiters and collects the royalties as they accrue.

An estimated 598,970 copyrights, claims and rights to copyrights, and the interests in 634 prewar contracts covering thousands of works have been vested by the Office.

ROYALTIES.---At the close of the fiscal year 1955, as a result of the licensing program and the administration of vested prewar contracts, the Office of Alien Property had collected a net total after direct expenses of \$4,451,194.09 in royalties. The Office collected a net total of \$173,125.79 during the 1955 fiscal year. Table 20 shows the net total receipts of the Office from copyrighted works and the nationalities of the former owners of these works.

ADMINISTRATION OF PREWAR COPYRIGHT CONTRACTS

In administering prewar copyright contracts on literary works and music, the Office is responsible for protecting and managing the Government's interest in the vested property. However, in addition to collecting the royalties provided for in the contracts, the Office cooperates with the American copyright exploiters to enable them to continue exercising the rights secured to them by the provisions of the contract and, at the same time, protects the interests of the authors and composers. A variety of problems must be dealt with in the administration of these contracts---for example, making arrangements for taking up options, tax adjustments, disputes with respect to royalty payments, the extension and interpretation of rights under the contracts, the allowance of expense deductions from royalties, and the determination of conflicting claims to the property and of respective interests of the various claimants.

As of June 30, 1955 the Office had collected a total of \$3,871,448.30 for the exploitation of literary works and musical compositions under prewar contracts in which

foreign interests have been vested. Of this amount approximately \$3,350,000 was collected from music and \$521,450 from books and periodicals.

Table 20 .----ROYALTIES COLLECTED UNDER VESTED COPYRIGHTS, MAR. 11, 1942, TO JUNE 30, 1955, CLASSIFIED BY NATIONALITY OF FORMER OWNERSHIP 1/

Nationality of former owners of copyright interests	Total	Accrued prior to dates of vesting	Accrued subsequent to dates of vesting
Total.....	\$4,451,194.09	\$1,104,411.56	\$3,346,782.53
German.....	2,165,247.88	326,939.53	1,838,308.35
Japanese.....	26,183.73	2,981.82	23,201.91
Italian.....	423,205.79	127,506.43	295,699.36
Hungarian.....	36,355.41	6,027.28	30,328.13
Romanian.....	1,886.13	1,211.13	675.00
Bulgarian.....	1,242.52	713.37	529.15
Belgian.....	28,272.30	4,773.03	23,499.27
Czechoslovakian.....	32,308.01	10,314.93	21,993.08
Danish.....	72,240.76	44,021.40	28,219.36
Dutch.....	1,230.69	447.65	783.04
French.....	1,618,846.61	559,887.38	1,058,959.23
Norwegian.....	15,785.91	6,696.53	9,089.38
Polish.....	27,669.60	12,697.33	14,972.27
Yugoslavian.....	718.75	193.75	525.00

The figures on royalties collected are net of agents' fees, etc.

Music and Books

The administration of prewar contracts for the exploitation of music is complicated by the variety of uses to which musical compositions are applied. Such uses include television and radio broadcasting, concert and other performances, publication of sheet music and orchestrations, mechanical recording and motion picture synchronization. The prewar contracts between European licensing societies and large American groups granted different rights to different groups for the exploitation of extensive catalogs of compositions by various European authors. Over \$1,025,000 has been collected for the use of music on radio. One music publisher alone paid approximately \$800,000 under prewar contracts which it had with German publishers. The Office continues to receive royalties on many works covered by prewar contracts.

ADMINISTRATION OF VESTED WORKS

As a result of the licensing program for the exploitation of vested copyright works there were licenses outstanding at the end of the fiscal year 1955 covering approximately 950 scientific books and periodicals. In addition, there are 90 licenses covering the exploitation of vested motion pictures and a number of other licenses covering musical compositions. During the fiscal year ended June 30, 1955, 20 new licenses were issued and many outstanding licenses were amended to include additional vested works or to extend the life of the licenses. An additional 204 individual works were licensed during the fiscal year 1955.

Books and Periodicals

Licenses granted by the Office for the exploitation of vested books and periodicals include the following uses: republication in the foreign language; publication of English translations; publication of revised editions, including translations; use in new

works of articles; text excerpts, tables, charts, diagrams, and photographs; and reproduction on microcards of technical and scientific works and journals.

Commercial licenses for the publication of vested books provide for a royalty of 10 percent of the retail price of reproductions in the foreign language and of 7 percent on English translations. In the case of post-1946 revision or enlargement of an earlier vested edition, the Office licenses the use of the material in the earlier edition at a royalty of 3 percent of the retail price of the new edition in the foreign language or at a royalty of 2 percent in the case of English translations. Permission to use the new material in the post-1946 edition must be obtained by the American publisher from the foreign owner. The royalty for the use of excerpts, drawings, tables, etc., usually is a flat fee which varies with the value of the material used.

In order to help defray the expenses of examining the records and preparing the license, an administrative fee of \$15 is charged for each license except those issued to another Government agency. An advance royalty payment of \$50 for each book and \$5 for each periodical are required under commercial licenses. Commercial licenses provide for a 6-month's period of exclusivity to the first licensee in order to give him time to prepare the work for publication. The administrative fee and advance royalty payments are not returnable.

Music

Licenses granted for the use of music are royalty-bearing with rates charged in accordance with general trade practices. The royalty rate for sheet music and orchestration is 10 percent of the retail price and for recordings the rate is 2¢ for each record, except where the licensee publishes a new English version the rates are generally lower. Royalties also are collected from radio and television performances and for the use of songs in motion pictures. The compositions licensed by the Office include both classical and popular music.

Motion Pictures

At the end of the fiscal year 1955, the Office had vested over 6,000 motion pictures. Most of the motion pictures are German productions and they include features, documentaries, newsreels, military training films, travelogs, and other short subjects. At the end of the fiscal year the total of vested film identified and inventoried amounted to approximately 35,000,000 feet.

The Office licensed the use of vested motion pictures for distribution to commercial theatres, for television exhibition and for sale of 16mm prints for non-commercial exhibitions. In addition, licenses are issued covering remake rights and the use of stock-shot footage in the production of new pictures. The expansion of television has resulted in a substantial increase in the demand for motion pictures. Licenses frequently provide for the addition of English language sound tracks or sub-titles to the foreign motion pictures and there has been a revival of interest in some of the silent pictures regarded as classics.

Films are licensed for governmental use on a royalty-free basis. Licenses for commercial exploitation are royalty-bearing with the rates conforming to established trade practices. Terms of licenses, such as the amount of advance and guaranteed royalties, vary with the value of the individual pictures and the type of exploitation licensed but generally an advance royalty is required and the Office receives 50 percent of the distribution receipts in excess of the cost of making additional prints, dubbing, subtitling or synchronizing. The customary rate for stock-shot footage is \$2.50 per foot.

Where there is only one application for a motion picture available for licensing the motion picture is licensed to the person making such application unless there appears

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to be a general interest in the picture, in which case other applications are solicited. Where two or more applications are received for a single motion picture, the license is awarded to the applicant who has offered terms and conditions which, in the opinion of the Office of Alien Property, are likely to yield the greatest monetary return to the Government.

TRADE-MARKS

The trade-mark interests held by the Office include trade-marks and trade-names and the goodwill of the business in the United States with which the marks and names have been used, registrations of trade-marks in the United States Patent Office, prewar contracts relating to trade-marks, commercial prints and labels, and residual and reversionary rights acquired by enemy nationals through contract or otherwise in trade-marks and trade-names of American enterprises.

Vesting Policy

The basic trade-mark vesting program and the objectives of the policy relating to trade-marks adopted during World War II are discussed in an earlier Annual Report. ^{4/} Even during the period of the war a policy of selective vesting was followed, trade-mark property being recognized as essentially individual in character, licensable and transferable only under restricted conditions. As a result of this policy of selective vesting, only about 600 registered trade-marks, interests in trade-mark contracts, and residual trade-mark rights have been vested. Most of these trade-marks and trade-mark rights were owned prior to vesting by nationals of Germany.

Description of Trade-Mark Vestings

The nationality of the former owners and the total number of trade-mark interests vested are presented in the following summary:

1. Vested trade-marks:		
(a) Trade-marks proper:		
German.....	455	
Japanese.....	26	
Italian.....	27	
Hungarian.....	9	
French.....	12	
Belgian.....	2	
Dutch.....	2	
Total.....	533	
(b) Commercial prints and labels (all German).....	21	
2. Cases of vesting potential residual or reversionary rights of foreign nationals in trade-marks owned by American corporations:		
German.....	22	
Italian.....	1	
Total.....	23	
3. Contracts relating to trade-marks in which foreign interests have been vested:		
German.....	32	
Italian.....	4	
Hungarian.....	7	
Total.....	43	

^{4/} See Annual Report, Office of Alien Property Custodian, fiscal year ended June 30, 1944, p. 114-115.

ROYALTIES COLLECTED.---During the period March 11, 1942 to June 30, 1955, royalties amounting to \$1,984,709.22 have been collected by the Office under trade-mark agreements outstanding at the time of vesting. Table 21 presents the nationality of the former owners of trade-marks whose interests were vested together with the amounts collected.

Table 21.---ROYALTIES COLLECTED UNDER VESTED TRADE-MARK CONTRACTS, MAR. 11, 1942 TO JUNE 30, 1955 ^{1/}

Nationality of former owners of contract interests	Total	Accrued prior to dates of vesting	Accrued subsequent to dates of vesting
Total.....	\$1,984,709.22	\$744,583.15	\$1,240,126.07
German.....	397,822.17	162,209.67	235,612.50
Japanese.....	^{2/} (569.35)	180.65	^{2/} (750.00)
Italian.....	1,266,897.36	467,778.40	799,118.96
Hungarian.....	320,559.04	114,414.43	206,144.61

^{1/} The figures on royalties collected are net of direct expenses such as taxes and agents' fees.

^{2/} Excess of expense over royalties collected.

Prewar Trade-Marks of Enemy and Former Enemy Nationals

In addition to the modification of the vesting policy of this Office as it pertained to trade-marks, an increasing number of authorizations have been issued to American attorneys representing German nationals under the provisions of Title 8 CFR, Section 507.1(b) of the regulations of the Office of Alien Property, permitting them to renew and re-register in the United States the trade-marks of German nationals in the Western Zone of Germany where trade between this country and the United States has been resumed, and the trade-marks of the German nationals are in use.

New Trade-Marks of Enemy and Former Enemy Nationals

Under existing regulations of the Office of Alien Property ^{5/} a general license has been issued permitting the application for and registration by nationals of Germany and Japan of trade-marks which were adopted subsequent to January 1, 1947, and by nationals of Bulgaria, Hungary, and Rumania of trade-marks adopted subsequent to May 15, 1946. Transactions affecting title to such trade-marks were also licensed.

Disposition of Vested Enemy Trade-Mark Interests

A primary objective in the disposition of vested enemy trade-mark interests has been to prevent consumer deception through misuse of trade-marks. Consequently, those vested trade-marks never used in the United States or used only on imported goods will not be sold where such sale may result in deceptive use of the marks. Trade-marks used by American firms on goods manufactured in the United States, however, may be sold to the users since the assignments in these cases represent a transfer of ownership or control without any effect on the products or their origin. In the case of trade-marks used as descriptive designations of patented products, the patents for which have been vested, these marks may be made available to American licensees under the vested patents. Certain restrictions are imposed, however, on the length of time for which these trade-marks may be used and the manner of use.

REAL AND PERSONAL PROPERTY
AND INTERESTS IN ESTATES AND TRUSTS

The Office of Alien Property made marked progress during the fiscal year in its efforts to sell and liquidate its holdings of real and personal property wherever possible. Of pertinent interest during the year has been the approximate three-fold increase in the value of securities still held due to their revaluation based upon current market values. The liquidation of vested interests in estates and trusts presents a more complex problem, since the Office must await completion of judicial administration in these matters before realizing on its vested interests.

REAL ESTATE

Description of Real Estate Holdings

The Office has vested directly or otherwise acquired real property valued at \$8,783,000 during the period March 11, 1942 to June 30, 1955. Together with appreciation of real property while held by the Office of approximately \$1,822,000, total value of vested real estate amounted to \$10,605,000. Table 22 shows the classification of real property according to the nationality of its former owners and the method of its acquisition and disposition by the Office.

In addition to the above real property, the Office has also vested or otherwise acquired such items as mineral and oil rights, and ground rents and leaseholds, with the Office's holdings at June 30, 1955 of the former valued at \$1,166,000 and the latter at \$30,000.

Table 22.---VALUE OF REAL ESTATE VESTED, MAR. 11, 1942, TO JUNE 30, 1955, CLASSIFIED ACCORDING TO NATIONALITY OF FORMER OWNERSHIP, METHOD OF ACQUISITION, AND DISPOSITION THEREOF TO JUNE 30, 1955
[In thousands of dollars]

	Total	German	Japanese	Italian	Other
Real estate vested and acquired:					
Directly vested.....	\$7,499	\$4,924	\$1,757	\$668	\$150
Acquired in lieu of payment of vested mortgages.....	35	23	.....	12	.....
Acquired from distribution of assets of estates and trusts in which the Attorney General had vested interests.....	1,229	1,021	149	57	2
Acquired from distribution of assets of vested business enterprises.....	20	20	.....	.....	.....
Total vested and acquired.....	8,783	5,988	1,906	737	152
Appreciation since dates of vesting.....	1,822	783	556	495	(12) 1/
Total value of real estate.....	10,605	6,771	2,462	1,232	140
Disposition:					
Liquidations and sales.....	7,636	5,387	1,743	384	122
Property returned to nonhostile persons..	1,610	461	346	785	18
Total dispositions.....	9,246	5,848	2,089	1,169	140
Total held on June 30, 1955.....	1,359	923	373	63

Excess of assigned value at dates of vesting over sales proceeds.

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Administration and Sale of Real Estate

The Office received \$114,000 as net income from vested real estate after the payment of taxes, insurance, and other direct expenses, making a total of \$1,977,000 so received through June 30, 1955. Income from mineral and oil rights, ground rents, and leaseholds amounted to an additional \$43,000 received during the fiscal year, making a total of \$260,000 received from these types of properties through June 30, 1955.

The Office has received \$7,636,000 as the proceeds from the sale and liquidation of real estate as of June 30, 1955, of which \$636,000 was received during the fiscal year 1955. Also received from the sale and liquidation of mineral and oil rights, and ground rents and leaseholds, was \$119,000 as of June 30, 1955, of which \$65,000 was received during the fiscal year.

Status of Real Estate Holdings as of June 30, 1955

The Office held 301 parcels of real estate valued at \$1,359,000 at the close of the fiscal year 1955, compared to 372 parcels valued at \$1,839,000 at the close of the fiscal year 1954. Of the total of 301 parcels of real estate held as of June 30, 1955, 133 are improved, 160 are unimproved, and 8 are farm properties. Table 23 classifies according to sales status all parcels of real estate held by the Office at the close of the fiscal year 1955.

Table 23.---SALES STATUS OF REAL ESTATE HELD BY THE OFFICE OF ALIEN PROPERTY, BY NUMBER OF PARCELS, AS OF JUNE 30, 1955

Sales status	Number of parcels			
	Total	Improved	Unimproved	Farm
Total.....	301	133	160	8
Salable properties:				
Advertised, insufficient offers received.....	34	18	15	1
In process, advertisements released to agents.....	2	2	.....	.....
In process, advertisements not released to agents (except Hawaiian).....	190	69	118	3
Hawaiian cases.....	3	1	2	.....
Properties withheld from sale:				
Italian 1/.....	15	8	7	.....
Other nationalities 2/.....	15	7	7	1
Legal difficulties 3/.....	31	22	6	3
Properties sold but closing still pending.....	11	6	5	.....

- 1/ Withheld from sale pending return under section 32 of the Trading With the Enemy Act.
- 2/ Withheld from sale because of possible eligibility of the former owners for return, or for other policy reasons.
- 3/ Cases involving section 9(a) suits for return, title defects, etc.

Accelerated Sales Program

An accelerated sales program is now in progress, including a new technique designed to direct the favorable attention of prospective purchasers to all vacant non-income producing land. For example, For Sale signs are being placed on each parcel of land by a local representative, inviting offers directly or through the prospective purchaser's own broker. In addition, owners of adjoining land and all residents of the immediate neighborhood are being contacted in an effort to liquidate this slow-moving land. Sales listings are also being distributed by this Office to members of the local real estate boards.

This program has been enthusiastically accepted by the brokers throughout the country and has shown excellent results during the 1955 fiscal year. Under this procedure all offers must be submitted on standard Offer to Purchase forms and are processed strictly in accordance with approved sale procedure.

MORTGAGES

The Office of Alien Property has vested or otherwise acquired mortgages valued at \$1,653,000 during the period March 11, 1942 to June 30, 1955. Together with appreciation of approximately \$41,000, total value of mortgages reached \$1,694,000.

Income From Vested Mortgages

The net income from mortgages received by the Office during the fiscal year 1955 amounted to \$5,000, bringing the total net income so received to June 30, 1955 to \$133,000.

Status of Mortgage Holdings as of June 30, 1955

The Office continued to hold 36 mortgages valued at approximately \$356,000 as of June 30, 1955. Sold or liquidated during the fiscal year were mortgages in the amount of \$19,000. The following summary shows the net value of mortgages vested and otherwise acquired and the value of those disposed of during the period March 11, 1942 to June 30, 1955:

<u>Mortgages vested and acquired:</u>	
Directly vested.....	\$1,174,000
Received from distribution of assets of estates and trusts in which the Attorney General had interests..	479,000
Total mortgages vested and acquired.....	<u>1,653,000</u>
Appreciation.....	<u>41,000</u>
Total value of mortgages.....	\$1,694,000
<u>Dispositions:</u>	
Real estate received in satisfaction of delinquent mortgage.....	-\$35,000
Mortgages sold and principal amounts collected.....	-1,242,000
Returned to nonhostile persons.....	<u>-61,000</u>
Total value of mortgages disposed of.....	-1,338,000
Total value of mortgages held as of June 30, 1955.....	<u>356,000</u>

MORTGAGE PARTICIPATIONS

Mortgage participations, or fractional interests in real estate mortgages, valued at \$827,000 have been vested or otherwise acquired by the Office at the end of the fiscal year 1955. The following summary shows the net value of mortgage participations vested and acquired and the value of those disposed of during the period March 11, 1942 to June 30, 1955:

<u>Mortgage participations vested and acquired:</u>	
Directly vested.....	\$488,000
Received from distribution of assets of estates and trusts in which the Attorney General had interests..	339,000
Total value of participations vested and acquired.	<u>827,000</u>
Depreciation (date of vesting value more than proceeds)...	<u>-164,000</u>
Total value of mortgage participations.....	\$663,000

Dispositions:

Participations sold and principal amounts collected....	-\$582,000
Returned to nonhostile persons.....	-34,000
Total value of mortgage participations disposed of.....	<u>-616,000</u>
Total value of mortgage participations held as of June 30, 1955.....	47,000

STOCKS, BONDS, AND OTHER SECURITIES

Total Vestings and Acquisitions

The Office of Alien Property has vested or otherwise acquired stocks and bonds valued at \$55,857,000 at dates of vesting or acquisition during the period March 11, 1942 to June 30, 1955. This total consisted of \$33,446,000 of stocks, \$22,246,000 of bonds, and \$165,000 of other securities (detached coupons, etc.). Together with appreciation since dates of vesting or acquisition of approximately \$55,018,000, consisting of \$50,420,000 on stocks, \$4,298,000 on bonds, and \$300,000 on other securities, total value of stocks and bonds amounted to \$110,875,000. The totals of these securities and the methods of their acquisition and disposition are shown in table 24.

Table 24.---STOCKS, BONDS, AND OTHER SECURITIES VESTED AND ACQUIRED, MAR. 11, 1942 TO JUNE 30, 1955, AND DISPOSITION THEREOF TO JUNE 30, 1955
[In thousands of dollars]

	Stocks	Bonds	Other securities
Property vested and otherwise acquired:			
Directly vested.....	\$23,150	\$9,447	\$152
Acquired from distribution of assets of estates and trusts in which the Attorney General had vested interests.....	5,168	7,974	13
Acquired from distribution of assets of vested business enterprises.....	1,729	4,825	.....
Transfer of minority interests in vested business enterprises to miscellaneous securities after the sale or return of the vested majority interests...	3,399	.....	.....
Total value of securities vested and acquired...	33,446	22,246	165
Net appreciation since dates of vesting.....	50,420	4,298	300
Total value of securities.....	83,866	26,544	465
Dispositions:			
Proceeds of liquidation and sale.....	27,726	19,064	223
Property returned to nonhostile persons in kind.....	5,042	1,169	.....
Total dispositions.....	32,768	20,233	223
Total value of securities held by the Office as of June 30, 1955.....	51,098	6,311	242

Sale and Liquidation of Stocks and Bonds

The program for the disposition of the Office's holdings of stocks, bonds, and other securities requires that these securities be sold as rapidly as possible through established channels in accordance with the marketability and value of the securities. The procedure may be summarized as follows:

1. Securities listed on a stock exchange are sold through the regular selling facilities offered by member brokers.
2. Unlisted securities that are actively traded are sold through established brokers by "over-the-counter" sale to their customers.
3. Unlisted securities that are not actively traded but are valued in excess of \$10,000 generally are sold by the Office on a "sealed bid" basis.
4. Securities that are inactive, unlisted, and are valued at less than \$10,000 may be sold at private sale through negotiation with prospective purchasers, who in many cases may be actively interested in the enterprise.
5. Bonds that have matured or have been called for redemption are redeemed at value by the issuer. Bonds due for redemption in the near future are held to maturity instead of being sold. U. S. Treasury bonds are redeemed and sold in accordance with an agreement between the Office and the Department of the Treasury whereby the latter arranges the sale of the bonds in order to coordinate the purchase and sale of Government securities by Federal agencies with the Government's financing requirements. U. S. Savings Bonds, which may not be sold on the market, are redeemed.

The procedure above is not followed if total holdings of any issue represent control or a substantial ownership in the issuing corporation. In such a case, the holding is treated as an interest in a business enterprise. 1/

For the fiscal year ended June 30, 1955 the Office received a net total of \$808,200 as proceeds from the sale and liquidation of stocks, \$3,315,428 from bonds, and \$67,283 from other securities. Total proceeds from the sale and liquidation of stocks, bonds, and other securities for the period March 11, 1942 to June 30, 1955 were as follows: (a) \$27,725,134 from stocks; (b) \$19,063,890 from bonds; and (c) \$223,464 from other securities.

Net Income Received From Stocks, Bonds and Other Securities

The Office has received excellent returns on its holdings of securities between dates of vesting and dates of sale and liquidation. As of June 30, 1955 net income from stocks has amounted to \$6,060,000, from bonds \$2,244,000 and from other securities about \$301,500. During the fiscal year 1955 the Office has received \$811,000 from stocks, \$519,000 from bonds and \$64,000 from other securities.

Status of Security Holdings

As of the close of the fiscal year 1955 the Office continues to hold stocks valued at \$51,098,000, bonds valued at \$6,311,000 and other securities valued at \$242,000. These values represent a substantial increase over stated holdings as of the close of the fiscal year 1954 due to revaluations in line with current market values.

Many securities still being held by the Office have not been sold because of certain foreign policy considerations, and because of legal and governmental restrictions. Some blocks of securities cannot be sold because section 9(a) suits for their return are pending. Certain other domestic and foreign securities and enemy issues are being withheld from sale because of their expected disposition under the reciprocal terms of international agreements. Unmarketable or worthless securities issued by corporations now inactive, defunct, or in liquidation, represent a very small part of total holdings.

1/ For a discussion of business enterprises, see Ch. III, "Business Enterprises," pp. 21-

OTHER PERSONAL PROPERTY

Various other types of personal property vested and acquired by the Office consists of notes, claims, 2/ and credits, bank balances, interests in life insurance and annuity contracts, and currency and coin.

Notes, Claims, and Credits

The following summary shows the value of notes, claims, and credits vested and acquired and their disposition for the period March 11, 1942 to June 30, 1955:

Notes, Claims, and Credits vested and acquired:

Directly vested.....	\$26,536,000	
Received from distribution of assets of vested business enterprises.....	16,001,000	
Received from distribution of assets of estates and trusts in which the Attorney General had vested interests.....	38,000	
Total vested and acquired.....	42,575,000	
Revaluation (worthless assets written off).....	-17,804,000	
Total value of notes, claims, and credits.....		\$24,771,000
Dispositions:		
Notes, claims, and credits collected.....	\$23,990,000	
Returned to nonhostile persons.....	55,000	
Total value disposed of.....		24,045,000
Total value of notes, claims, and credits held by the Office as of June 30, 1955.....		726,000

Bank Balances

The following summary shows the value of bank balances vested and acquired and their disposition to June 30, 1955:

Bank balances vested and acquired:

Directly vested.....	\$34,891,000	
Received from distribution of assets of estates and trusts in which the Attorney General had vested interests.....	202,000	
Total bank balances vested and acquired.....	35,093,000	
Revaluation (due to inaccurate reports and values at dates of vesting).....	-3,916,000	
Total value of bank balances.....		\$31,177,000
Dispositions:		
Bank balances collected.....	\$30,708,000	
Returned to nonhostile persons before collection...	3,000	
Total value disposed of.....		30,711,000
Total value of bank balances still held by the Office as of June 30, 1955.....		466,000

2/ The discussion of claims in this section relates to those vested in the Attorney General. Claims asserted against the Attorney General are discussed in Ch. VI, "Claims."

Currency and Coin

Of the total value of currency and coin of \$10,128,000 at dates of vesting, the Office of Alien Property has accounted for the entire amount by collecting the sum of \$10,055,000 in cash while the remaining \$73,000 has been written off due to differences between reports prior to vesting and actual count after vesting.

Insurance and Annuity Contracts

The Office has vested and acquired interests in insurance policies and annuity contracts valued at \$3,956,000, of which \$10,000 worth of vested interests was received in distribution of assets in estates and trusts. During the fiscal year 1955 the sum of \$25,000 was received as the proceeds of liquidation of the vested interests in insurance policies and annuity contracts making a total of \$3,502,000 so received to June 30, 1955. The Office also received net income of approximately \$50,000 during the fiscal year from vested interests in insurance policies and annuity contracts making a total of \$199,000 so received to June 30, 1955. As of the close of the 1955 fiscal year, there were 188 open cases of insurance collections on the books of the Office, a reduction of 540 cases from the 728 open as of June 30, 1954.

INTERESTS IN ESTATES AND TRUSTS

Administration

The Office, in vesting interests in estates and trusts, succeeds to the rights of the former owners of those interests. It is incumbent upon the Office, therefore, to insure that distribution of the assets comprising the estate or trust by the administration, executor, trustee or other fiduciary is correct and in conformity with the terms of the decedent's will, agreement, trust, instrument or court decree. During the fiscal year 1955 the Office completed its administration of the vested interests in 346 cases involving estates and trusts. There are now pending at June 30, 1955 a total of 504 cases representing interests in estates which have not been fully administered or with respect to which the Office has not yet received the distributive shares of the vested interests. In addition, there are pending 547 cases representing trusts in which the Office has a life or remainder interest.

Generally, properties received by the Office as distributions of vested interests in estates and trusts consist of cash; this is so because the Office is usually only one of several beneficiaries and, to effect distribution on a proper share basis, it is necessary to liquidate the estates. In many cases, however, securities, personal property, real estate, and other types of property are received. If the interests vested from trusts are life interests or annuities, the Office receives periodic income payments. If the interests vested are those of remainderman, the Office receives nothing until right to possession of the assets is acquired by the death of the life tenant or other condition of the trust. If the Office has vested a guardianship estate, the guardian normally files a final report with the court which discharges the guardian and turns over the estate to the Office.

Distribution of Principal

For the period March 11, 1942 to June 30, 1955 the Office has received a total of \$56,065,000 representing distributions of principal from estates and trusts. Of this amount, \$2,605,000 was received during the 1955 fiscal year. The cumulative total is comprised of \$38,130,000 in cash and \$17,935,000 in other kinds of property, principally stocks and bonds. Of this noncash property, the Office had liquidated \$14,960,000 by the close of the fiscal year.

The different types of property received in distribution from vested interests in estates and trusts and the amount of each type which has been liquidated are indicated

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in table 25.

Distribution of Income

The Office has received \$6,714,000 as direct net income from vested interests in estates and trusts through June 30, 1955, of which \$659,000 was received during the fiscal year 1955.

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Table 25.---PROPERTY HELD AS OF JUNE 30, 1955, DERIVED FROM THE VESTING OF INTERESTS IN ESTATES AND TRUSTS

NOTE.---This table does not reflect income derived from estates and trusts or from property distributed from estates and trusts.

[In thousands of dollars]

Type of Property	Property vested	Changes in character of property resulting from---		Property returned to non-hostile persons	Property held as of June 30, 1955
		Distribution of assets of estates and trusts	Liquidation of property received from distributions		
Total.....	87,801	.....	.....	(10,710)	77,091
Interests in decedents' estates..	37,110	(33,058)	.....	(1,365)	2,687
Interests in trusts under wills..	33,089	(14,404)	.....	(3,724)	14,961
Interests in trusts inter vivos..	15,891	(7,120)	.....	(732)	8,039
Interests in guardianship estates	1,711	(1,483)	.....	.....	228
Interests in business enterprises	.....	2,369	(2,369)	.....	.....
Real estate.....	.....	1,229	(1,016)	(213)	.....
Mortgages.....	.....	479	(336)	(32)	111
Leaseholds, mineral and oil rights, and ground rents.....	.....	35	(18)	.....	17
Tangible personal property.....	.....	79	(69)	(10)	.....
Stocks.....	.....	5,168	(4,225)	(193)	750
Bonds.....	.....	7,974	(6,495)	(210)	1,269
Other securities.....	.....	13	(13)	.....	.....
Mortgage participations.....	.....	339	(184)	(5)	150
Notes, claims, and credits.....	.....	38	(26)	(12)	.....
Life insurance.....	.....	10	(7)	(3)	.....
Bank balances.....	.....	202	(202)	.....	.....
Cash.....	.....	38,130	14,960	(4,211)	48,879

The first column of table 25 indicates the value of the interests in the four types of estates and trusts that have been vested. The second column shows the amount of assets distributed from each of the four types of estates and trusts (figures in parentheses), with the resultant increase in the Office's holdings of various types of property (plus figures). The third column indicates the subsequent liquidation of the noncash items of property received from distributions (figures in parentheses), with the corresponding increase in cash (\$14,960,000). The fourth column lists the amount of property (figures in parentheses) returned to nonhostile persons by the administrative action of the Office under section 32 of the Trading With the Enemy Act, or pursuant to court decisions in actions brought under section 9(a) of the Act. The fifth column shows the property held as of June 30, 1955 including the remaining holdings of distributed noncash assets and the cash derived from both direct distributions and from the sale and liquidation of distributed property (\$48,879,000). The Office still had vested interests in unliquidated estates and trusts valued at \$25,915,000 at the close of the fiscal year 1955. It is most difficult to appraise realistically this figure in terms of current value due to the indefiniteness of remainder interests.

VI

CLAIMS

The claims program of the Office of Alien Property was substantially expanded during the fiscal year 1955 by reason of the increase in personnel in accordance with the increased authorization for administrative expenses of the Office as approved by the Congress. There was likewise an increase in the number of title claims filed during the fiscal year with respect to property vested during World War II. There was a 50 percent increase in dispositions of title claims and a ten-fold increase in dispositions of debt claims during the fiscal year 1955 as compared with the fiscal year 1954.

The present claims program of the Office with respect to World War II vestings of property is based upon sections 9(a), 32 and 34 of the Trading With the Enemy Act, as amended. Sections 32 and 34 were added to the Act in 1946 by Public Laws 322 and 671, Seventy-ninth Congress, Second Session. 1/ Under the provisions of section 32, the Office is authorized to make administrative returns of property to persons who, although technically enemies or allies of enemies, were not hostile to the United States and who fulfilled certain other stated conditions. 2/ Section 34 authorized the payment of debt claims to certain creditors of former owners of vested property. Thus, two types of claims are processed by the Office: title claims by which the claimants assert ownership interests in the vested property, and debt claims by which creditors seek payment of obligations owed prior to vesting by the former owners of vested property. A claim based on a debt secured by a mortgage or other lien may be treated as a title claim if the lien constitutes a proprietary or title interest in the property.

As of June 30, 1955 there had been filed with the Office of Alien Property on approved forms a total of 67,251 claims relative to World War II vestings of property, of which 19,682 were title claims and 47,569 were debt claims. At the start of the 1955 fiscal year, there were pending 47,508 claims, of which 7,511 were title claims and 39,997 were debt claims. During the 1955 fiscal year there were filed 3,979 claims---3,935 title claims and 44 debt claims. For the fiscal year 1956 it is estimated that no title or debt claims will be filed because the bar date has expired for filing such claims. 3/

1/ 60 Stat. 50, 50 U. S. C. App. sec. 32; 60 Stat. 925, 50 U. S. C. App. sec. 34. For the complete text of Public Law 322, see Annual Report, Office of Alien Property Custodian, fiscal year ended June 30, 1946, pp. 216-219. For the complete text of Public Law 671, see Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1947, pp. 153-157.

2/ Under sec. 2 of the Trading With the Enemy Act, as amended (50 U. S. C. App. sec 2) persons resident within enemy or enemy-occupied territory during the war were classified independently of their citizenship.

3/ However, it is anticipated that additional claims will be filed in respect to the "heirless assets" program (see infra, p. 62), the "looted securities" program and the program pertaining to Hungarian, Bulgarian and Rumanian assets vested pursuant to the amendment to the International Claims Settlement Act, Public Law 285, 84th Congress, 1st Sess., approved August 9, 1955 (69 Stat. 562). We anticipate that during the fiscal year 1956 there will be filed 8,500 "heirless asset" claims, some 1,500 "looted securities" claim certificates in respect to the seven representative looted security claims already filed with the Office by the Netherlands Government, and some 100 title claims and 100 debt claims in respect to the Hungarian, Bulgarian and Rumanian assets program.

TITLE CLAIMS

Section 32

Originally eligible for administrative return under the Trading With the Enemy Act, as amended, were the following principal groups: nonenemy governments, corporations of nonhostile countries that are not enemy-controlled, certain American citizens regardless of their residence during the war, citizens of allied and neutral countries not voluntarily resident in enemy countries during the war period, and enemy citizens who continuously resided outside enemy or enemy-occupied territory since December 7, 1941, and who were not engaged in business in such territory.

Section 32, as amended by Public Law 671, Seventy-ninth Congress, Second Session, approved August 8, 1946 4/ also makes eligible for return certain victims of political, racial or religious persecution who would otherwise have been ineligible because of enemy citizenship or voluntary residence in an enemy country.

Public Law 370, Eightieth Congress, First Session, approved August 5, 1947 5/ which also amended section 32, names as ineligible for a return the Governments of Germany, Japan, Hungary, Bulgaria and Rumania. Despite its earlier enemy status, the Government of Italy is not ineligible. Public Law 370 also makes eligible nationals and residents of Italy who were previously ineligible.

Section 32 was further amended by the so-called "dual national" proviso which was added by Public Law 859, Eighty-first Congress, Second Session, approved September 29, 1950 6/ in order to enable the Office to return vested property to (1) those persons who possessed American citizenship at all times since December 7, 1941, despite concurrent enemy citizenship and presence in enemy territory, and (2) those American women who lost their citizenship solely because of marriage to enemy aliens (thereby acquiring enemy citizenship) and who reacquired their citizenship prior to September 29, 1950.

The "dual national" proviso of section 32 was amended by Public Law 378, Eighty-second Congress, Second Session, approved June 6, 1952 7/, by increasing the aggregate value of returns permitted to "dual Nationals" from \$5,000,000 to \$9,000,000 and by defining the value of the property in terms of its book value at dates of vesting.

The next amendment affecting title claims was an amendment to section 33 by Public Law 292, Eighty-third Congress, Second Session, approved February 9, 1954 8/, which extended the date for filing claims for the return of vested property to February 9, 1955, or two years after the date of vesting, whichever is later.

4/ 60 Stat. 925, 50 U. S. C. App. sec. 32

5/ 61 Stat. 784, 50 U. S. C. App. sec. 32. For the complete text of Public Law 370, see Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1948, pp. 155-156.

6/ 64 Stat. 1080, 50 U. S. C. App. sec. 32. For the complete text of Public Law 859, see Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1951, pp. 161-162. For a listing of the names and nationalities of claimants and value of claims filed and allowed under Public Law 859, as required by the provisions of said law, see Appendix, Exhibit F, pp. 118-119.

7/ 66 Stat. 129, 50 U. S. C. App. sec. 32. For the complete text of Public Law 378, see Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1952, Appendix, Exhibit F.

8/ 68 Stat. 7, 50 U. S. C. App. sec. 33. For the complete text of Public Law 292, see Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1954, Appendix, Exhibit E.

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The most recent amendment to section 32 was the "heirless asset" amendment, Public Law 626, Eighty-third Congress, Second Session, approved August 23, 1954. ^{9/} This amendment authorizes the President to designate one or more organizations as successors in interest to deceased persons who if alive would be eligible under the persecutee provisions of section 32(a)(2)(C) or (D) of the Act. It provides that return of vested property may be made to such an organization as successor in interest to such deceased persons if no claim for the return of the property is pending. Total returns authorized by this amendment cannot exceed \$3,000,000. The amendment further provides that no return shall be made unless claims for return are filed by such organization within one year after August 23, 1954 and unless such organization gives assurances (1) that the property returned will be used on the basis of need in rehabilitation and settlement of persons in the United States who suffered substantial deprivation of liberty or failure to enjoy full rights of citizenship within the meaning of section 32(a)(2)(C) and (D); (2) that it will transfer within two years from the time that return is made such property or interest to any person whom the President or his designate shall determine to be eligible under section 32 as owner or successor in interest to such owner by inheritance, devise or bequest; (3) that annual reports will be made to the President concerning the use of property so returned and that such property will not be used for legal fees, salaries or other administrative expenses connected with claims for the recovery of such property. The term "organization" is defined to mean a non-profit charitable corporation incorporated on or before January 1, 1950 under the law of any state of the United States or the District of Columbia. Section 33 of the Act (fixing bar dates for filing title claims) was also amended (68 Stat. 768), permitting the filing of "heirless asset" claims within one year from August 24, 1954 in order to conform with the provisions of section 32(h) of the Act.

Pursuant to the "heirless asset" amendment, the President on January 13, 1955 issued Executive Order 10587 (20 F.R. 361) designating the Jewish Restitution Successor Organization (JRSO), a charitable membership organization under the laws of the State of New York, as successor in interest to deceased persons for the purposes of section 32(h) of the Act. This order delegated to the Attorney General the powers of the President to determine claims under section 32(h). The Attorney General has directed the Office of Alien Property to administer the program.

As of June 30, 1955, 1,459 claims had been filed and docketed seeking the return of heirless assets. On August 24, 1955 when the time for filing claims under section 32(h) expired, in excess of 10,000 JRSO claims had been filed with the Office.

Prior to the making of a return, section 32 requires a claimant to establish (1) that he was the owner of the vested property immediately prior to vesting; (2) that he did not use the property under any cloaking arrangement; and (3) that he has no actual or potential liability under either the Renegotiation Act or the Royalty Adjustment Act. It must also be determined that the return is "in the interest of the United States". In determining that a return is in the national interest, the Office of Alien Property, as a matter of policy, consults with other interested Government agencies so that it may "be advised of the public interest in such matters as national security, foreign relations, financial and fiscal policy, and commercial and anti-trust policy, as they relate to the return of the vested property".^{10/} The procedures for making this investigation have been developed and are followed relative to all returns made under section 32.

Section 9(a) provides for administrative return of vested property to persons who are not enemies as defined in section 2 of the Act. As pointed out above (footnote 2, p. 60) the latter section defined as enemies persons resident within enemy or enemy-

^{9/} 68 Stat. 767, 50 U. S. C. App. sec. 32(h). For the complete text of Public Law 626, see Appendix, Exhibit E, pp. 116-117.

^{10/} Letter of May 16, 1946 from the President of the United States to James E. Markham, Alien Property Custodian.

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occupied territory during the war, independently of their citizenship. A number of claims have been asserted by nationals of Germany and Japan, who, although ineligible for return under the provisions of section 32, allege that they are not enemies as defined in section 2. In the recent decision of the Supreme Court in the case of Guessefeldt v. McGrath, 11/ it was held that the provisions of section 39 of the Act 12/ that no returns of vested property shall be made to nationals of Germany and Japan did not bar section 9(a) relief to such nationals who are not enemies as defined in section 2. Accordingly, the claims of such persons, if they are not eligible under section 32, receive administrative consideration under section 9(a).

Time Limitation for Filing Title Claims

Notice of claim for the return of vested property pursuant to sections 9(a) or 32(a) must have been filed by February 9, 1955, or within two years of the date of vesting, whichever is later, as provided by section 33 of the Trading With the Enemy Act, as amended. 13/ As the last vesting order became effective on April 16, 1953 (V.O. 19312, 18 F.R. 2207), the final date for filing title claims against World War II vested property was two years thereafter, or April 15, 1955. World War I claims seeking administrative return under section 9 must have been filed by August 9, 1948.

Administration of Sections 32 and 9(a)

The Office of Alien Property is responsible for the administration of sections 32 and 9(a), except that section 9(a) claimants are also entitled to have their claims heard in the federal courts. 14/ Forms for asserting a claim for the return of vested property may be secured directly from the Office of Alien Property in Washington, D. C., or its field office in San Francisco, its offices abroad in Munich, Germany; Manila, P.I.; and Tokyo, Japan or from the United States Attorneys' offices throughout the United States. All title claims are filed on Form APC-1A.

Title claims are processed by the Claims Section of the Office, the Chief of which has the sole authority to recommend to the Director of the Office the allowance of such claim without the requirement of a hearing. In all cases in which there is a genuine issue the claimant is entitled to a hearing. The decision whether a return of vested property is in the interest of the United States under section 32 rests with the Director of the Office. The procedures necessary for the processing of claims filed by foreign residents were instituted after extensive negotiations between certain foreign governments and the Attorney General, with the cooperation of the Department of State. 15/

All procedures involved in the disposition of claims are governed by the Rules of Procedure for Claims, as amended. 16/ A copy of these rules may be obtained upon application to the Chief, Administrative Section, Office of Alien Property, Department of Justice, Washington 25, D. C.

11/ 342 U. S. 308 (1952)

12/ 50 U. S. C. App. sec. 39.

13/ 60 Stat. 925, 50 U. S. C. App. sec. 33. For further details, see Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1950, pp. 68-69. See also supra, p. 61.

14/ For a discussion of section 9(a) suits, see Ch. VII, pp. 74-89.

15/ For further details of these procedures, see Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1950, pp. 69-70.

16/ 8 C.F.R. Part. 502.

Disposition of Claims: Vested Property Returned

The Office processed a total of 1,406 title claims during the fiscal year 1955. 17/ Returned to former owners during the fiscal year were \$7,440,000 of cash and appraisable property; 81 patents, 4 patent applications, 3 interests in 3 patent contracts, and certain other industrial properties. The total amount of property returned has now reached \$60,381,000 18/ and 2,255 patents, 92 part interests in patents, 138 patent applications, 100 interests in patent contracts and 15 inventions.

Discussion of Particular Title Claims

INTERNATIONAL TELEPHONE AND TELEGRAPH CORP., CLAIM NOS. 6211/2.---These claims for the return of vested property under sections 9(a) and 32 involved the questions of eligibility based upon stock ownership of enemy corporations. The claimant, International Telephone and Telegraph Corp., (IT&T) sought the return of certain patents vested as property of Sueddeutsche Apparatefabrik Gesellschaft, m.b.H. (hereinafter called "SAF"), C. Lorenz, A.G. (hereinafter called "Lorenz"), and Mix & Genest Aktiengesellschaft (hereinafter called "M&G"), all corporations organized under the laws of Germany. IT&T was a Maryland corporation; it owned 100% of the stock of SEC, another German corporation, which in turn owned 93% and 98% of SAF and M&G, respectively. IT&T also owned 98% of the stock of Lorenz. The claimant claimed eligibility under the provisions of section 32(a)(2)(B) which provided that where property was claimed by a German corporation, return may be made to the owners of all the stock of such corporation "if such ownership was by one or more citizens of the United States or by one or more corporations organized under the laws of the United States". IT&T also claimed eligibility under section 9(a) which authorized the return of "any interest, right or title" in vested property, relying on the Supreme Court decision in Kaufmann v. Societe Internationale, 343 U.S. 156. That decision held that when the Government seized assets of a corporation organized under the laws of a neutral country, "the rights of innocent stockholders to an interest in the assets proportionate to their stock holdings must be fully protected". The Chief of the Claims Section moved to dismiss the claims on the ground of ineligibility of claimant under sections 9(a) and 32(a)(2)(B). The position of the Chief of the Claims Section was that in respect to section 32(a)(2)(B) the express language of the statute barred a return in this case because the enemy corporation which was the pre-vesting owner of the vested property was not 100% American owned and, in respect to section 9(a) the doctrine of the Kaufmann decision should not be extended to apply to enemy corporations. The Director granted the motion to dismiss the claim under section 32(a)(2)(B) and section 9(a). However, in view of claimant's assertion of equitable interests in the vested property resulting from loans to the corporations which owned the patents and advancement of funds for research which brought the patents into being, the Director found that certain issues of fact were raised, the resolution of which might result in the allowance of a debt claim under section 34. Therefore he remanded the claims to the Chief Hearing Examiner for further proceedings.

GERTRUDE KAPPEL VUKAS, CLAIM NO. 58549.---This claim involved the determination of residence under section 2(a) and 32(a)(2)(C) of the Act. Claimant was a citizen of Yugoslavia who was in Germany at all times during World War II. She sought the return of \$50,000 which was vested by this Office as her property. Claimant was born in Germany and grew up there. About 1920 she commenced a career as an opera singer. Her career required almost continuous travel to many parts of the world and, in consequence, for a number of years she apparently had no fixed place of abode. In 1927 she married Simon Vukas, a Yugoslavian national, and thereby acquired Yugoslavian citizenship. For five years immediately following her marriage to Mr. Vukas, she sang with the Munich opera.

17/ Of these, the number allowed was 463; the number disallowed or withdrawn was 943.
18/ Not included in this amount are certain accrued patent royalties in the hands of third parties which were reassigned to claimants upon return of the patents.

During the same period she also sang with the Metropolitan Opera in New York City. She sang exclusively with the Metropolitan Opera from 1932 to 1937 and retired from her operatic career in 1937. Claimant's mode of living underwent a significant change in 1937 when, because of her retirement, the necessity for travel diminished and she purchased a home in Munich, Germany with funds she had on deposit in Germany. Claimant alleged as reasons for her purchase of this house that she could not transfer her money out of Germany and that she desired to provide a home for her mother and herself if need be. Although her mother visited claimant from time to time when claimant was in Munich, she maintained her own residence in Halle on the Saale, about 250 miles from Munich, until her death in March 1939. Thereafter, claimant refused to sell her house in Munich despite several offers of purchase made by a neighbor during the war. During the 31 months between her retirement in January 1937 and August 1939, claimant and her husband spent periods of time in Germany, Yugoslavia and New York City. When she re-entered Germany in August 1939 from Yugoslavia, she executed an Alien's Report of Stay which stated her permanent residence to be Yugoslavia and in New York. The report stated that her intended stay in Germany was to be for a period of six months and for the purpose of recreation and family reunion. From August 1939 claimant remained in Germany until after the war when she came to the United States for a short visit and then returned to Germany. She is still living in Munich. Claimant's husband stayed in Germany with her from August 1939 to January 1940 when he left for a visit to Yugoslavia. Claimant elected to stay alone in Germany. Despite the fact that her husband was denied permission to return to Germany, she continued to stay there alone and the record does not disclose any attempt on her part to go to her husband in Yugoslavia at that time. Instead, she tried to secure permission for his return to Germany. In March 1941 claimant's husband returned to Germany on a temporary permit under the terms of which he had to leave the country in a few weeks. Claimant made no attempt to leave Germany with her husband at that time. After war broke out between Germany and Yugoslavia in April 1941, travel to Yugoslavia was difficult, if not impossible.

The Hearing Examiner allowed the claim. He held that claimant was domiciled in Yugoslavia at all material times; that from September 1939, the time of the outbreak of war in Europe, and at all material times thereafter, claimant remained unwillingly in Munich; and that claimant was not resident within Germany during the war within the meaning of section 2 and 32(a)(2)(C) and thus eligible for a return under section 9(a) and 32(a)(2)(C) of the Act. The Chief of the Claims Section appealed the decision to the Director of the Office. In reversing the decision of the Hearing Examiner and disallowing the claim the Director held (1) that the claimant's domicile and the residence of claimant's husband were not determining factors in the matter of claimant's residence; (2) that "for purposes of section 32(a)(2)(C) of the Act, however, once an individual becomes a voluntary resident of enemy territory, any war-caused impediment to his departure from enemy territory does not render involuntary his continued residence there regardless of his desire to give up that residence;" and (3) that claimant at least from August 1939 was resident within Germany within the meaning of section 2 and 32(a)(2)(C) of the Act and therefore ineligible for a return under sections 9(a) and 32(a)(2)(C).

PRINCESS VERA ROMANOFF, CLAIM NO. 58547.---The issue in this claim was whether claimant was a voluntary resident of Germany during the war within the meaning of section 32(a)(2)(C) of the Act. Claimant was born in Russia in 1906. She lived there until 1918 when she, her mother and brother went to Sweden. In 1920 she went to Belgium where she stayed until 1923; traveled to Germany where she remained until 1927; spent two years in England and then returned to Germany in 1929 where she stayed until 1951, except for four trips to Switzerland, Latvia, England and the United States. Claimant purchased a house in Berlin and some mortgage securities but the German foreign exchange regulations prevented her from removing her German assets except at tremendous discount. She acquired Russian citizenship at birth but considered herself "stateless" because she states she was so classified after Germany attacked Russia in 1941. At the time of the German invasion of Russia in 1941 claimant was employed by a private concern in Germany as an interpreter. She later was assigned to work in a

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munitions factory. When the war ended she worked for the British Red Cross in Hamburg. She came to the United States as a quota immigrant in 1951.

The Hearing Examiner held that claimant was not a voluntary resident of Germany and allowed the claim. The Chief of the Claims Section appealed the decision to the Director, who reversed the Hearing Examiner's decision and disallowed the claim. The Director decided upon the above facts that claimant was a voluntary resident of Germany. He stated that the "ability to live more cheaply or in greater luxury [in Germany] obviously cannot be accepted as a standard for involuntary residence".

ANNA CAROLINE KLUGE, CLAIM NO. 58328.---The issue in this case was whether claimant was "resident within" Germany during the war within the meaning of section 2 of the Act and therefore not eligible for a return under section 9(a). Claimant was born in Germany in 1870, and has been always a citizen of Germany. In 1892 she came to the United States where she studied nursing and earned her livelihood as a trained nurse. Claimant made visits to Germany in 1902 and 1906 and 1911. In 1927 she filed a Declaration of Intention to become a United States citizen but failed to complete her naturalization. Claimant testified that in 1937 her doctor advised her to go to Bad Nauheim in Germany for a rest. She was then 67 years of age and suffering from a heart condition. Immigration and Naturalization Service records show she applied for a re-entry permit on January 5, 1938 and that the permit was authorized on January 13, 1938. The application stated that her reason for going abroad was to visit relatives and that the length of her proposed absence was to be one year. She purchased a one way ticket and left this country on January 28, 1938 without, however, picking up her re-entry permit. She left all her savings here. She arrived in Germany on March 1, 1938 and after spending a few months with her relatives, went to Bad Nauheim in May 1938 or June 1938 where she took a regular course of treatment under the supervision of a physician. She spent the following winter in Italy and returned to Bad Nauheim for treatments in May of 1939. She returned to Italy in November 1939, where she stayed until November 1941. She lived on the income earned by her investments in the United States and transmitted to her in Italy. Claimant testified that in November 1941 pursuant to orders of German consular officials in Italy, she returned to Germany; she said that she was not well enough to undertake the sea voyage to the United States. When her funds were exhausted she received a small amount of financial assistance from her relatives and lived at a refugee camp established by the German authorities. During the war, she was criticized upon occasion because of her anti-Hitler remarks. Shortly after the war ended she wrote several times to the United States Consul at Hamburg about returning to this country. A visa was granted in 1950 and she was admitted to this country as a non-preference quota immigrant. During 1947, 1948 and 1949 she voted in one or more German elections.

The Hearing Examiner found that claimant traveled to Germany in 1938 intending to stay there for a limited period of time incident to her recovery from exhaustion and illness; that she did not return before December 7, 1941 for reasons of her health; and that she at all times after 1938 intended to return to the United States as soon as she was in position to do so and did return as soon as she could after her recuperation. Upon these findings the Hearing Examiner held that claimant was not resident within Germany within the meaning of section 2 and therefore was eligible for a return under section 9(a) and allowed the claim. The Chief of the Claims Section appealed to the Director who affirmed the decision of the Hearing Examiner.

KATHARINA MENCKE, CLAIM NO. 26392.---This claim involved the persecutee proviso of section 32(a)(2)(D). Claimant was born in Germany and had always been a citizen of that country. She came to the United States three times. The last time she stayed from 1913 to 1925, for the most part in New York City, where she worked as a ladies' maid. She returned to Germany in 1925 in order to become housekeeper for her brother, Hermann Mencke, who was a Catholic priest then serving a church in Garmisch-Partenkirchen. It appeared that Father Mencke was an outspoken opponent of Naziism and that claimant shared his views. In January 1940 Father Mencke was arrested by the Gestapo and subse-

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quently was tried and sentenced for listening to broadcasts from Switzerland. He was imprisoned until the summer of 1941. During his imprisonment his left foot became lame and he contracted a heart condition. After his release he was forbidden by the Gestapo to return to his parish at Garmisch. In November of 1941 he was appointed to a pastorate in Dorfen-Markt and the claimant removed there with him. He was not molested there and retained his pastorate until his death in 1946. During a period of unspecified date and duration, the entire first floor of the rectory at Dorfen, except the kitchen, was turned into a camp for some members of the Hitler Youth organization. During another unspecified period of time claimant and her brother were forced to house and feed, out of their own rations; eight members of the Nazi "Mother and Child" organization. Claimant's complaints about cramped quarters and insufficient rations were met by threats of the concentration camp. As a result of these conditions, claimant became highly nervous and was confined to bed on several occasions.

The Hearing Examiner allowed the claim, holding that "claimant suffered substantial deprivation of some of the rights then enjoyed by German citizens generally, by the action of officials of the German government, because of her association with a leader of a religious group opposed to the Nazi party, and this is sufficient to establish her eligibility". The Chief of the Claims Section appealed the decision to the Director who reversed the Hearing Examiner and disallowed the claim. The Director held that claimant was not a member of a political, racial or religious group which was the subject of a discriminatory law, decree or regulation. He also held that the acts alleged to constitute discrimination against her subsequent to December 7, 1941 fell short of the deprivation of rights of citizenship prescribed by Congress for eligibility for return.

AUGUSTA E. DA COSTA, CLAIM NO. 45749.---The issue in this case was whether the claimant was eligible for the return of vested property under section 32(a)(2)(C) of the Act. Claimant and her husband, both citizens of Portugal, settled in Japan in 1895. Claimant's husband was employed in Japan by a British banking firm until 1925, when he retired on a pension. Claimant and her husband visited their son, a citizen and resident of the United States, in 1924 and again in 1939. Claimant alleged that after their visit to this country in 1939, they decided to settle here for permanent residence and returned to Japan to wind up their affairs. At that time claimant opened the deposit account which was vested. After claimant and her husband returned to Japan in 1939 the latter became ill and claimant was unable to carry out her intention of returning to the United States for permanent residence. Mr. Da Costa was ill for most of the period from 1939 to his death in 1943. His physical condition was aggravated by an antagonistic attitude on the part of the authorities who suspected the Da Costas of loyalty and sympathy towards the United States and England. The suspicions were based on Mr. Da Costa's former long and satisfactory employment with the British banking firm and the fact that his son was living in this country. In consequence, the requests of the Da Costas for needed medicine were not granted or the medicine was not of sufficient quantity and was not always of the preferred kind. After December 7, 1941 claimant tried to obtain a passport to leave Japan but was unsuccessful. Claimant stated that she underwent constant surveillance and questioning by the Japanese police during the war because of her Portugese citizenship and the fact that her son was a citizen of the United States in the military service of this country; her funds were partially frozen because of her Portugese nationality; her allotment of food was rationed and was inadequate; she was compelled to observe curfew regulations; and because of the blocking of her funds she was compelled to sell personal effects and household items in order to obtain food and clothing. In 1946 claimant was admitted to the United States as a Portugese quota immigrant.

The Hearing Examiner allowed the claim. He held that claimant was eligible under the persecutee proviso of section 32(a)(2)(C) as an individual "who, while in the territory of a nation with which the United States has at any time since December 7, 1941 been at war, was deprived of life or substantially deprived of liberty pursuant to

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any law, decree or regulation of such nation discriminating against political, racial or religious groups . . ." The Hearing Examiner made no finding as to the place of claimant's residence during the war. The Chief of the Claims Section appealed the decision to the Director who reversed the decision of the Hearing Examiner and disallowed the claim. The Director held that the claimant was not eligible under the persecutee proviso of section 32(a)(2)(C) and that non-Axis Europeans did not constitute a political or racial group within the meaning thereof. He also held that claimant was voluntarily resident within Japan after December 7, 1941 and therefore ineligible for return under section 32(a)(2)(C). The Director stated that claimant's "intention to take up residence in the United States at some future time did not terminate her status as a resident of Japan after 1939".

WOLFGANG VON SCHIERHOLZ, CLAIM NO. 38028.---This claim involved the persecutee proviso of section 32(a)(2)(D). Claimant became a German citizen at birth and retained such citizenship until 1946. His family was very wealthy and was the leading family of Plaue, Thuringia (Germany), a town of 1,600 people. In February 1941 claimant sought to be released from German citizenship and to emigrate to Liechtenstein, of which country he had been a citizen since 1931. His request was denied by the German authorities. Claimant lived with his family at Plaue, Germany until 1946 when he was released from German citizenship and moved to Liechtenstein. Claimant asserted eligibility under the persecutee proviso of section 32(a)(2)(D) which authorizes return to a German citizen present in Germany during the war who "as a consequence of any law, decree or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial or religious groups, has at no time between December 7, 1941 and the time when such law, decree or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation". The facts upon which claimant based his eligibility as a persecutee were as follows: (1) that claimant's applications for release from German citizenship and for permission to emigrate to Liechtenstein were denied; (2) that he was denied honorary posts and titles to which he was entitled by his standing in the community; (3) that his Liechtenstein passport and his military passport were confiscated; (4) that he was subjected to constant surveillance and frequent interrogation by the Gestapo; and (5) that he was denied licenses to hunt, to fish and to carry arms.

The Hearing Examiner held that such facts did not qualify claimant under the persecutee proviso and disallowed the claim. The claimant appealed the decision to the Director who affirmed the decision of the Hearing Examiner.

DEBT CLAIMS

Section 34, which was added to the Trading With the Enemy Act, as amended, on August 8, 1946, by Public Law 671, Seventy-ninth Congress, Second Session, 19/ established the basis on which the Office is authorized to pay claims of certain creditors out of property vested from their debtors.

Provisions of Section 34

ELIGIBILITY.---Section 34 permits payment to the following debt claimants: (a) citizens of the United States or the Philippine Islands, prior to December 7, 1941; (b) corporations organized under the laws of the United States or any state, territory or possession thereof, or the District of Columbia or the Philippine Islands; (c) other natural persons, who are or have been, since the beginning of the war, residents of the United States and who have not during the war been interned or paroled under the Alien Enemy Act; and (d) the Attorney General. Legal representatives and successors in inter-

19/ 60 Stat. 925, 50 U. S. C. App. sec. 34. For the complete text of Public Law 671, see Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1947, pp. 153-157.

est by operation of law, if they are persons who would not themselves be disqualified, are eligible to receive payment to the same extent as their principals or predecessors would have been.

Certain conditions must be satisfied before a debt claim can be allowed. Thus, a debt (1) must have been due and owing at the time of vesting of the debtor's property, (2) must not have arisen from any action prohibited by the Trading With the Enemy Act, as amended, and (3) must not have been owing to any person convicted of violation of certain statutes.

BAR DATE.---The Attorney General is required by the Act to set a final date for the filing of debt claims, with the provision that this date cannot extend beyond the expiration of two years after the date of the last vesting of property of a particular debtor, or August 8, 1948, whichever is later. A debt claim, if allowed, cannot be paid within 120 days from the date of publication of the first bar date, nor may it be paid out of property with respect to which a suit or proceeding for a return pursuant to the Trading With the Enemy Act, as amended, is pending, provided that such suit or proceeding was instituted prior to the expiration of the 120-day period. 20/

MONEY AVAILABLE FOR PAYMENT OF DEBT CLAIMS.---The payment of debt claims is to be made out of the net proceeds realized from the vested property of the debtor after deduction of (a) expenses of the Office in connection with the debtor's property, (b) taxes paid by the Office (as later defined), 21/ and (c) a cash reserve for the future payment of expenses and taxes.

PRIORITY OF PAYMENT OF DEBT CLAIMS.---Eligible creditors who have filed valid claims have the available money of a debtor distributed to them in an equitable manner according to the procedure provided for in section 34. In the event the available money of a debtor does not permit the full payment of all allowed claims, the statute provides for a system of priorities. The order of payment established is as follows: (1) wage and salary claims, not in excess of \$600; (2) claims of the United States entitled to priority under sections 191 and 193 of Title 31 of the United States Code; (3) all other claims for services rendered or expenses incurred in connection with such services, as for example, rent, goods and material delivered to the debtor, and for payments made to the debtor for goods or services not received by the claimant; and (4) all other debt claims.

DEBTS VESTED BY UNITED STATES.---Debts transferred to the United States as a result of vesting are not entitled to the priority otherwise accorded claims of the United States.

JUDICIAL REVIEW.---The remedies provided by section 34 are exclusive. Although an initial administrative determination is required by law, the right of judicial review is preserved. If the aggregate of debt claims filed against a particular debtor does not exceed the money from which payment may be made, a claimant whose claim has been disallowed, in whole or in part, may file a complaint within 60 days after mailing of the determination, in the District Court of the United States for the District of Columbia for review of the disallowance of his claim, naming the Attorney General as defendant.

A claimant may also obtain judicial review of the schedule of payment of debts issued by the Office in insolvency cases, that is, cases in which the aggregate of debt claims filed exceeds the money from which payment thereof may be made.

20/ In this connection, however, it should be noted that section 9(a) provides that during the pendency of a suit under that section the property shall be retained in the custody of the Office.

21/ See p. 73 infra.

Administration of Section 34

Procedures have been established by this Office, under Rules of Procedure of Claims, whereby the initial consideration of debt claims is delegated to the Claims Section of the Office. 22/ The Chief of the Claims Section may submit to the Director a recommendation for allowance of any claim which he deems entitled to allowance without hearing. In all cases where summary allowance is not made, in which there is a genuine issue, claimants are entitled to a hearing.

Bar Dates for Filing Debt Claims

By Bar Order Nos. 1 to 15, inclusive, issued in previous fiscal years, final dates were fixed for filing debt claims in respect to all persons and corporations whose property was first vested between December 18, 1941 and April 17, 1953 inclusive, the termination date of the vesting program. January 4, 1954 was the last bar date for filing debt claims in respect to World War II vested property. Thus with the expiration of the January 4, 1954 bar date, no new debt claims could be timely filed with this Office.

Procedures in Processing Debt Claims

The procedures instituted under section 34(a) of the Trading With the Enemy Act, as amended, for determining the eligibility of debt claimants and the validity of their claims may be summarized as follows: a routine check with the Internal Revenue Service is made by the Office after a debt claim has been filed to determine whether or not the alleged debtor is liable to the United States for unpaid taxes. The Office also makes similar inquiries of the General Accounting Office to determine whether the United States has any claims against each claimant. Within the Office itself certain inquiries are necessary to ascertain the value of the vested property against which each claim is asserted. Additional inquiries are also made within the Department of Justice to determine whether the claimant has been convicted of a violation of any of the statutes listed in section 34(a).

Discussion of Particular Debt Claims

INSOLVENT ACCOUNT OF YOKOHAMA SPECIE BANK, LTD., DAVID LATUF, CLAIMANT, CLAIM NO. 1218.---This debt claim was based upon a letter of credit issued to claimant in the amount of \$10,000 by the Yokohama Specie Bank, Ltd., Kobe, Japan, the alleged debtor. The sole issue was whether claimant was eligible under section 34 of the Act which authorizes payments to "natural persons who are and have been since the beginning of the war residents of the United States". Claimant, formerly a national of Lebanon (a French mandate) resided in Japan for 18 years prior to October 1941. During that period he was Honorary Consul of Mexico in Kobe, Japan. In 1929 he married Lola Paul, an American citizen. The Latufs decided to leave Japan in September 1941. He did not apply for a visa for permanent residence in the United States because it would have delayed their departure. Instead he applied for and received a "transit certificate" permitting him to enter the United States enroute to Mexico. He and his wife entered the United States at San Francisco on October 23, 1941. Prior to leaving Japan Mr. Latuf obtained a letter of credit in his name from the Yokohama Specie Bank at Kobe, authorizing him to draw \$10,000 on the San Francisco branch of that bank. After arrival in this country, Mr. Latuf applied for a Treasury Department license authorizing him to draw funds under the letter of credit. This action was necessitated by virtue of the freezing controls exercised by the Treasury Department under Executive Order 8389, as amended. His license was being processed when the Japanese attack on Pearl Harbor resulted in the closing of the Yokohama Specie Bank branches in the United States. In January 1942, Mr. and Mrs. Latuf proceeded to Mexico where Mr. Latuf had to attend to his business. On April 20, 1942,

22/ Form APC-1C was used by persons filing debt claims with the Office.

Mrs. Latuf applied, on her husband's behalf, for a visa for permanent residence in the United States. The application was granted and Mr. Latuf re-entered the United States in September 1942, with an immigration visa entitling him to permanent residence. The Latufs then returned to Mexico where they remained until September 1946, while Mr. Latuf wound up his business affairs in that country. He periodically received renewals of his immigration visa so as to permit re-entry into the United States. The Latufs moved to San Antonio, Texas in September 1946 and have lived there since. Mr. Latuf acquired American citizenship by naturalization in 1948.

The Hearing Examiner allowed the claim, holding that upon the above facts claimant was a resident of the United States since the beginning of the war within the meaning of section 34(a) of the Act. Upon appeal by the Chief of the Claims Section the Director reversed the Hearing Examiner's decision and disallowed the claim. The Director held that Latuf's entry into the United States prior to December 7, 1941 was for the purpose of travel to Mexico and his stay here prior to January 1942 was to obtain a license authorizing payment of the letter of credit; that neither he nor his wife acquired a place of abode here; that as a matter of law claimant did not acquire residence in the United States prior to December 7, 1941. Accordingly, claimant did not qualify as a debt claimant under section 34(a) of the Trading With the Enemy Act, as amended.

JOHN POWELL AND COMPANY, INC., CLAIM NO. 44718.---The issue in this debt claim proceeding was whether an informal Notice of Claim had been filed with the Office prior to the bar date. The date of vesting of the assets of the debtor Kawasaki was July 30, 1942. The bar date was August 8, 1948. The Notice of Claim Form APC-1C was not filed until nine months after the bar date. The issue was whether certain letters received by this Office prior to the bar date could be considered as an informal notice of claim. The relevant facts were as follows:

In 1934 a shipment of goods belonging to Powell was damaged in transit aboard one of Kawasaki's vessels. The amount of the damage was alleged to have been \$10,000. Osaka Insurance Co., the cargo underwriter, paid Powell \$8,000 and was subrogated to Powell's claim against Kawasaki to the extent of this payment. Hatch and Wolfe, the underwriter's attorneys, filed a libel action against Kawasaki in the United States District Court in 1935, entitled "John Powell & Co., Libelant, against Kawasaki". The litigation was suspended following the outbreak of war in December 1941. On July 21, 1942 Hatch and Wolfe wrote to the Federal Reserve Bank of New York on behalf of its client, the cargo underwriter, asking whether it could proceed with the litigation insofar as Osaka Insurance Company was concerned. At the same time Hatch and Wolfe wrote to the Office of Alien Property inquiring whether the Alien Property Custodian had any interest in the litigation and enclosing a copy of the letter of July 21, 1942 to the Federal Reserve Bank. This is the letter which Powell claims gave the Alien Property Custodian informal notice of the claim. The General Counsel replied that the Custodian would be interested only with respect to any recovery by Powell in which the Japanese insurer would have a beneficial interest. On August 1, 1946 Hatch and Wolfe and Albert Willcox and Company, Inc., the New York claim agent for Osaka Insurance Co., filed a Form APC-3 with this Office to report the interest of their client, Osaka Insurance Co. in the pending suit against Kawasaki. This form was required to be filed "by persons acting under judicial supervision or in any court or administrative action or proceeding, to report property or interests of designated enemy nationals" (13 F.R. 9501). This report is also relied upon by Powell as an informal notice of claim. The only reference to Powell in the report was a statement to the effect that Hatch and Wolfe had instituted court action "in the name of John Powell and Company on behalf of the Osaka Marine and Fire Insurance Co. (underwriters of the cargo on voyage damage sustained) v. Kawasaki Kisen Kaisha to recover for damages to shipment to the United States".

The Hearing Examiner dismissed the claim on the ground of untimely filing. The claimant appealed to the Director who affirmed the decision of the Hearing Examiner. The

Director held that in order to satisfy the statutory requirements of section 34(b) of the Act as to the "filing" of a debt claim before the bar date, there must be a written notice of the claim by the claimant or by someone acting on his behalf; and the notice must show clearly that a claim is being asserted against a particular debtor whose property has been vested under the Act. He held that the letter of July 21, 1942 and the Form APC-3 did not satisfy these requirements, because they were not filed by claimant or by someone on its behalf, they did not give notice of any intention by Powell to assert a claim against the vested assets of Kawasaki, and the letter of July 21, 1942 was further deficient as a notice of claim in that it was received by this Office prior to vesting.

PARAGON ART AND LINEN COMPANY, CLAIM NO. 17523.---The issue in this case involved the meaning of the word "debt" in section 34. This claim asserted against Mitsubishi was based on actions taken by that company in Shanghai, China beginning on or about December 7, 1941. At that time claimant had stored in the warehouse of Arnhold Trading Co., Ltd., Shanghai, merchandise valued at \$23,000. On December 8, 1941 Mitsubishi seized the offices of the Arnhold Trading Company and the warehouses including claimant's goods. Mitsubishi sold claimant's merchandise and credited the proceeds of the sale to claimant's account in a Shanghai bank, the sum of CRB dollars 386,000, which moneys are now worthless. The claimant maintained that Mitsubishi in seizing and disposing of its property acted as an "independent looter" and disposed of claimant's property for its own use. The Hearing Examiner on the other hand held that Mitsubishi acted solely on behalf of the Japanese Government as the occupying sovereign of China. He disallowed the claim holding that the sequestration of property of an "enemy" by the Japanese Government as military occupant in China under the rules of international law, did not give rise to a "debt" within the meaning of section 34 of the Trading With the Enemy Act, as amended. The claimant appealed to the Director who affirmed the decision of the Hearing Examiner.

Disposition of Claims: Payments Made

During the fiscal year, 16,052 debt claims were disposed of with 44 claims being allowed in the aggregate amount of \$394,796.31 ^{23/} and 16,008 disallowed, withdrawn or disposed of through consolidation totaling approximately \$25,000,000. In addition, 15 debt claims totaling \$110,601.21, asserted against insolvent debtors, were tentatively allowed.

The debt claims allowed and tentatively allowed during the fiscal year related to a wide range of transactions: 11 of the claims totaling \$75,968.38 were based upon deposits in German and Japanese banks, and seven of the claims totaling \$1,367.69 were founded upon policies in German insurance companies. Eight of the claims totaling \$152,958.01 were based upon legal services while five of the claims totaling \$166,876.22 involved advances of money and interest thereon, including bank loans under the German-American Standstill Agreements. The remaining claims allowed related to such diverse matters as bills of exchange, property management services, pensions, shipping contract losses, brokerage services and food and clothing packages.

During the 1955 fiscal year, 15,950 debt claims were disallowed and withdrawn. This achievement resulted primarily from an overtime program whereby letters were sent out to over 20,000 debt claimants, inquiring whether the claimants wished to maintain their debt claims with this Office. The claims consisted largely of claims against insolvent estates where potential recovery from this Office was very small and claims based upon dollar bonds of the Japanese and German Governments and certain Japanese and German business companies where post-war settlement offers were available to the bondholders. Furthermore, in the light of Stasi v. Markham, 69 F. Supp. 163 (D.N.J. 1946), which ruled that unliquidated torts do not constitute a debt, the position has been

^{23/} Because of the insolvency of three of the debtors' accounts, payments totaling only \$393,781.11 were made in these allowed claims during the 1955 fiscal year.

taken by this Office that, in the absence of any contractual relationship between the claimant and the alleged debtors, claims based solely on confiscatory acts of the German and Japanese Governments, or their agents, do not constitute debts within the meaning of section 34 of the Trading With the Enemy Act, as amended. In consequence thereof, numerous debt claims based on confiscations have been withdrawn or disallowed.

PAYMENT OF TAXES INCIDENT TO VESTED PROPERTY

Section 36 of the Trading With the Enemy Act, as amended, which was added to the Act by Public Law 671, Seventy-ninth Congress, Second Session, approved August 8, 1946, specifically authorized the Office to pay any tax assessed on vested property by the Federal Government or any state, territorial or local government for any period prior or subsequent to the date of vesting. 24/ The Office is obligated to pay tax liabilities on vested property notwithstanding any claim or suit filed or instituted against the property.

Procedures have been developed by both the Office of Alien Property and the Internal Revenue Service regarding the payment of taxes on vested property. In addition, the Director of Internal Revenue has promulgated rules relating to the application of the Internal Revenue aspects of section 36 of the Act. These rules were published in the Federal Register on April 16, 1948. 25/

24/ 60 Stat. 925, 50 U. S. C. App. sec. 36. For a more detailed discussion of these provisions and the text of the law, see Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1947, pp. 87 and 156.

25/ 13 F.R. 2039

SUITS AND OTHER JUDICIAL PROCEEDINGS

The Office of Alien Property was involved in a total of 2,530 active suits and other judicial proceedings during the fiscal year 1955. There were pending as of July 1, 1954, 2,456 cases; 74 new cases were received during the fiscal year 1955 and 1,030 cases were closed. There were 1,500 cases pending as of June 30, 1955. The different types of litigation cases are presented in table 26.

Table 26.--SUITS AND OTHER JUDICIAL PROCEEDINGS IN WHICH THE OFFICE OF ALIEN PROPERTY WAS INVOLVED, FISCAL YEARS 1954 AND 1955

Type of litigation	Cases pending as of July 1, 1954	Cases active during year	Cases pending as of June 30, 1955
Total.....	2,456	2,530	1,500
1. Actions for return of property or payment of debts, brought under sec. 9(a) and 34 of the Trading With the Enemy Act, as amended.....	94	113	1/ 83
2. Matters involving estates and trusts..	1,474	1,493	1,128
3. Insurance collections.....	728	728	188
4. Miscellaneous 2/.....	160	196	3/ 101

1/ Includes nine sec. 9(a) cases involving Philippine vested property.

2/ This item includes actions brought to collect vested property or otherwise enforce vesting orders, actions relating to banks and insurance companies in liquidation, matters relating to corporate or individual insolvencies, customs, taxes, assessments, patents, trade-marks, copyrights, actions involving real property, causes in admiralty, criminal actions, and matters involving property vested during World War I.

3/ Includes 12 cases involving Philippine vested property

Section 9(a) and Section 34 Suits

Among the more important of the 113 cases active during the fiscal year under sections 9(a) and 34 of the Trading With the Enemy Act, as amended, 1/ to recover vested property or the payment of debts were the following:

ALBERT v. BROWNELL (United States District Court, Southern District of California).---This is a suit for the recovery of common and preferred stock of Rohm & Haas Company, Philadelphia, and accumulated dividends. Although the value of the property in suit fluctuates with changes in market values, as of June 30, 1955 the value was approximately \$32,000,000. In 1952 the District Court entered summary judgment in favor of the Attorney General, 2/ holding that the plaintiff's claim, based on ownership of stock in a Luxembourg corporation, did not come within the rule in Kaufman v. Societe Internationale. 3/ On appeal the Ninth Circuit vacated the summary judgment on the ground that the jurisdictional fact of plaintiff's nonenemy status had not been established 4/ and on

1/ 40 Stat. 419 (1917), 50 U. S. C. App. sec. 9, and 60 Stat. 925 (1946), 50 U. S. C. App. sec. 34.

2/ 104 F. Supp. 891.

3/ 343 U.S. 156.

4/ 219 F. 2d 602.

February 14, 1955 a petition for rehearing was denied. The case has been set for trial on January 17, 1956.

BANK OF AMERICA NATIONAL SAVINGS & TRUST CO. v. BROWNELL (United States District Court, District of Columbia).---In June 1954 the Court of Appeals for the District of Columbia Circuit affirmed a District Court judgment ordering the Attorney General to pay interest subsequent to the date of the vesting of the property on a debt claim allowed under section 34. 5/ On October 25, 1954, the Supreme Court denied a petition for a writ of certiorari. 6/

BANK WAEDENSWIL v. BROWNELL (United States District Court, District of Columbia). This is an action to recover over 99% of the shares of stock of Kalio, Inc. and certain assets of Kalio which were vested. Among the most important of these assets is a majority block of stock of Karl Lieberknecht, Inc. of Reading, Pa., a manufacturer of knitting machines. The value of the vested property has increased considerably since the end of World War II and stands at approximately \$6,500,000. The plaintiff is a Swiss bank which claims that in 1940 it purchased from Karl Richard Lieberknecht, a German, the shares of a Swiss holding company whose alleged principal assets was the Kalio shares. It is the position of the Office of Alien Property that no bona fide sale was intended or effected by the parties to the alleged 1940 transaction. Issue has been joined and extensive discovery proceedings have been had. The Government has noticed a number of depositions to be taken in Europe. The depositions will be taken abroad in August, 1955.

DIGMALA LUMBER COMPANY, INC. v. BROWNELL (United States District Court, District of Columbia).---This action was instituted under section 34 of the Trading With the Enemy Act, as amended, to review a schedule of debt claims allowed in the insolvent vested estate of a Japanese company. A claim filed by plaintiff, a corporation of the Republic of the Philippines, against this vested property was disallowed. Plaintiff's claim was founded upon a contract made in the Philippines in June 1943 whereby plaintiff sold sawmill machinery and equipment of the Japanese company. Plaintiff alleged that the purchaser failed to make the final payment on the purchase price. In the disallowance of plaintiff's claim, it was found that plaintiff had failed to deliver all of the property contracted for and, therefore, no debt was due and owing. The District Court affirmed the disallowance. Plaintiff's time to appeal expired during the fiscal year without a notice of appeal having been filed. This is the first case where the District Court has had occasion to apply the substantial evidence rule in reviewing a debt claim determination of the Attorney General as successor to the Alien Property Custodian. The court found substantial evidence on the record as a whole to support the Attorney General's disallowance of the claim.

I.G. CHEMIE v. BROWNELL (United States District Court, District of Columbia).---In October 1948 I.G. Chemie, a Swiss holding corporation, sued the Attorney General, in his capacity as successor to the Alien Property Custodian, for the return of vested property allegedly worth over \$100,000,000 (about 97% of the capital stock of General Aniline & Film Corporation of New York) and some \$1,800,000 in vested cash. The Government's answer included a defense that I.G. Chemie had been a party to a world-wide conspiracy with I.G. Farbenindustrie of Germany to cloak ownership of the property.

In 1953 the District Court granted a Government motion to dismiss plaintiff's complaint with prejudice for failure on the part of plaintiff to comply with a court order for the production of documents under Rule 34 of the Federal Rules of Civil Procedure. In granting the Government's motion to dismiss, the Court denied a motion by the plaintiff that it also dismiss counterclaims by the Government for over \$21,000,000 based on back taxes and alleged conversion of Chemie stock held by the Government. 7/ I.G. Chemie's

5/ 214 F. 2d 855.
6/ 348 U.S. 864.
7/ 111 Fed. Supp. 435.

appeal was argued in November 1954, and on June 30, 1955, the Court of Appeals affirmed the action of the District Court but modified the order below so that it "shall not become effective until six months after the receipt by the District Court of the mandate of this court in this case, and not then if within such period discovery is made as ordered." Plaintiff's petition for rehearing in banc, filed after the end of the fiscal year is pending before the Court of Appeals.

Some 2,500 minority shareholders in I.G. Chemie, with stock interests in plaintiff representing approximately 28% of the proportionate value of its vested assets, have intervened in the main action in the District Court. The intervenors, who allege that they are nonenemies, were permitted to intervene to assert their proportionate share in the vested assets pursuant to the decision of the Supreme Court in Kaufman v. Societe Internationale, 343 U.S. 156, in the event the plaintiff's suit should fail. The Government served interrogatories on each of the intervenors in April 1954. Because of failure to answer the interrogatories, the complaints of over seven hundred intervenors, holding proportionate stock interests in Chemie equal to over 7% of the vested assets, were dismissed by the Special Master in November 1954 and February 1955. In January 1955 the Government moved for the dismissal of the complaints of an additional seven hundred fifty stockholders representing some 16% of the proportionate value of the vested assets. These stockholders had acquired their Chemie stock after October 1946, the date of the last vesting of Chemie assets, and in the Government's view, the Anti-Assignment Act (31 U. S. C. 203) prevents them from acquiring any claims against the Government. The Special Master denied the motion in June 1955 and the Government has now moved the District Court to vacate the Master's order and to dismiss the complaints.

CISATLANTIC CORPORATION AND EDGAR AUSNIT v. BROWNELL (United States District Court, Southern District of New York).---Plaintiffs sued under section 9(a) to recover the proceeds of a forge plant vested by the Custodian, which they claimed to have bought in 1941 from a Rumanian corporation. An administrative claim was denied in 1944, and reopened in 1947, and it was finally denied on the ground that the transaction was not licensed under Executive Order 8389, as amended. The section 9(a) suit was dismissed by the District Court on the ground that it had not been brought by April 30, 1949, or within two years from vesting as required by section 33, even when allowance was made for the periods of time when the administrative claim was pending, 9/ and the Court of Appeals for the Second Circuit affirmed. 10/ Plaintiffs did not petition the Supreme Court for a writ of certiorari.

F. A. R. LIQUIDATING COMPANY v. BROWNELL (United States District Court, Delaware).---This action brought by the successor company to Farnsworth Television & Radio Corporation, is for the return of 111 television patents vested as the property of Fernseh, G.m.b.H., a German radio and television manufacturer. The plaintiff claims ownership of the patents by virtue of an assignment agreement made by cable on June 14, 1941, the day when freezing controls were applied to German property. As consideration for the assignment, plaintiff claims Farnsworth transferred European patents to Fernseh. The Attorney General contends that there was no assignment prior to the time when freezing controls became effective on June 14, 1941. In 1953 cross motions for summary judgment were made, and the District Court granted summary judgment in plaintiff's favor. 11/ In January 1954, the Court of Appeals for the Third Circuit reversed and remanded, sending the case back to the District Court for trial of the issue of fact as to the time and date the acceptance cable was sent. 12/ Pre-trial has been held, discovery proceedings completed and the case has been set for trial in September 1955.

- 8/ 21 F. R. S. 34.47, Case 1.
9/ 131 F. Supp. 406.
10/ 222 F. 2d 957.
11/ 110 Fed. Supp. 580.
12/ 209 F. 2d 375.

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GUESSEFELDT v. BROWNELL (United States District Court, District of Columbia).--- This was an action for the return of an interest in a trust valued at approximately \$50,000. The action was begun by Richard Guessefeldt, a German national who lived in Hawaii for forty years but who returned to Germany with his family in 1938. Although he remained in Germany until 1950, he claimed his stay was temporary and involuntary and that he was not "resident within" enemy territory. In April 1953 the District Court found after trial that plaintiff had voluntarily resided in Germany and had had no desire to return to the United States. The court, therefore, concluded that plaintiff was an enemy ineligible to recover property under the Trading With the Enemy Act, as amended. On appeal taken by plaintiff to the Court of Appeals for the District of Columbia Circuit, the judgment in favor of the Attorney General was affirmed, *per curiam*, in May 1954. Thereafter, the United States Supreme Court denied plaintiff's petition for a writ of certiorari. 13/

HANSEN v. BROWNELL (United States District Court, District of Columbia).---The plaintiff in this action is a dual national, German and English, now residing in the United States. He brought suit under section 9(a) to recover \$50,000 in cash vested by the Alien Property Custodian. The vesting order was issued in October 1951, at which time plaintiff was living in Paris, France, although he had been living in Germany from 1939 until 1948. During the war years plaintiff worked for the German Short Wave Broadcasting Company as an announcer, actor and playwright. The plaintiff sought to recover the vested property on the ground that he was an English national who was not resident in Germany at the time of vesting. The court, after trial, granted judgment for the defendant, holding that the plaintiff had not shown his ownership of the property and that in any event plaintiff was an enemy by reason of his activities and residence in Germany during the war. A motion to set aside the judgment has been made by plaintiff and is pending. Plaintiff has also filed notice of appeal.

INTERNATIONAL SILK GUILD, INC. v. BROWNELL (United States District Court, District of Columbia).---In this case a complaint was filed under section 34 of the Act for a District Court review of the determination of the Deputy Director of the Office of Alien Property reversing a Hearing Examiner and disallowing plaintiff's debt claim of \$68,362.08 against vested assets of Asahi Silk Co., Ltd. Plaintiff claimed a contract had been entered into in 1936 among New York importers of silk from Japan, Japanese exporters, and the plaintiff whereby the importers agreed to pay a self-imposed assessment on each bale of silk imported, the exporters agreed to collect each assessment and forward it to the plaintiff which agreed to use the funds to promote silk in the United States. The District Court entered judgment affirming the Deputy Director's determination, disallowing the claim. Plaintiff moved to set aside the judgment and re-open the case to receive newly discovered evidence. This motion was granted but the court proceedings have been continued indefinitely by stipulation, and the claim has been resubmitted to the Director for further consideration administratively.

KIYONO v. CLARK (United States District Court, District of Columbia).---Plaintiffs brought suit under section 9(a) in 1949 for the recovery of some \$300,000 which had been vested. In addition, they filed claims for the administrative return of this property. In 1952, a settlement was consummated on the basis of which plaintiffs dismissed their suit with prejudice and withdrew their administrative claims with respect to the property already vested while the defendants, in turn, refrained from vesting a tax refund in excess of \$250,000 held by the Bureau of Internal Revenue for payment to plaintiffs. In December 1954, plaintiffs filed a motion to set aside the settlement on the ground that it was coerced and unfair. The District Court denied the motion. The plaintiffs have taken an appeal and the matter is now pending before the Court of Appeals.

LADUE & CO. v. BROWNELL (United States District Court, Northern District of Illinois).---In 1953 the Attorney General vested securities of the face value of \$12,000 as the property of unknown German nationals. LaDue & Co. sued under section 9(a) to recover the securities. The District Court for the Northern District of Illinois granted the Government's motion to dismiss on the ground that the plaintiff had failed to file the notice of claim required by section 9(a). On appeal, the Seventh Circuit affirmed, holding that the filing of a notice of claim was a condition precedent to the right to sue under section 9(a) and that the reservation in the Joint Resolution of October 19, 1951, of the authority to vest pre-1947 German property was constitutional. 14/ A petition for a writ of certiorari before the United States Supreme Court is pending.

PUBLIC ADMINISTRATOR OF NEW YORK COUNTY (ESTATE OF FREIMANIS) v. BROWNELL (United States District Court, Southern District of New York).---This is a suit to recover approximately \$625,000 constituting a portion of the proceeds of insurance on three ships sunk during the war. The heirs of the estate which the plaintiff represents were, since 1939, physically present either in Latvia, German-occupied Poland, or Germany. The main issue is whether persons who claim to be displaced persons, resident nowhere, but who were physically present in enemy territory at all material times during the war, are eligible for a return of vested property under the Trading With the Enemy Act, as amended. Other issues involve the fact and validity of the German naturalization of the heirs and whether their conduct in Germany constituted "doing business within enemy territory." A motion to dismiss the suit on grounds that the plaintiff represented enemies was granted but the plaintiff was given leave to amend his complaint. Cross motions for summary judgment were denied on the ground that a material issue of fact concerning residence was raised by the pleadings. The case is now awaiting trial.

ROYAL EXCHANGE ASSURANCE v. BROWNELL (United States District Court, Southern District of New York).---This is a suit by the British trustees of a £ 15,000,000 twenty-five year Sinking Fund Gold Loan of the German Potash Syndicate, to recover approximately \$6,000,000 deposited in various banks in the United States to the credit of Continentale Handelsbank, N.V., of Amsterdam. The funds were vested under the Trading With the Enemy Act, as amended. The trustees claim to have title to such funds under the terms of trust indentures executed by the German Potash Syndicate. The issues involve construction of the trust instrument under English law, and the effect of the outbreak of war and the English Trading With the Enemy Act on the trust agreement. This case was tried in March 1955. Both parties have submitted briefs and a decision is awaited.

RUSCHE v. BROWNELL (United States District Court, District of Columbia).---This is a suit to recover vested securities and cash valued at approximately \$1,100,000. Plaintiff is a German citizen who claims to have resided in Switzerland during the war and to have done no business in Germany. The Government disputes these contentions. Plaintiff admits he was one of the managing directors of one of the largest German electrical companies and that he received substantial salaries from the company during the war. In addition to the issues as to whether plaintiff resided or did business within Germany during the war, the suit presents issues as to whether plaintiff suffers from enemy taint and whether plaintiff owned the property in suit prior to vesting. The case was tried in April and May 1955 but no decision was reached as of the close of the fiscal year.

SANTOS & ASTRAQUILLO v. BROWNELL (Supreme Court, Republic of the Philippines).---This is an action of the Lepanto Consolidated Mining Co., Inc., a Philippine corporation, which was vested by the Attorney General's predecessor, the Philippine Alien Property Administrator, in 1945. The value of the shares and accumulated dividends thereon is ₱ 6,640,000 or approximately \$3,320,000. The plaintiffs based their claim upon an alleged

purchase of the shares in 1942 for the sum of ₱ 96,000 or \$48,000 from two Filipinos who were subsequently killed during the Japanese occupation. Plaintiffs testified to this effect upon the trial of the case in the Court of First Instance, Manila. Opposing witnesses testified that the share certificates were in the possession of agents of a Japanese corporation until the liberation of Manila by United States forces in January 1945. The Court of First Instance accepted plaintiffs' story and entered judgment accordingly. On February 28, 1955 the Supreme Court of the Republic of the Philippines reversed, holding that the findings based upon plaintiffs' testimony could not stand because such testimony was highly improbable and lacked corroboration in the record. In so holding the court observed that while it is well settled in the Philippines that a trial court's rulings upon the credibility of opposing witnesses should not be disturbed on appeal, the circumstances of this case required a departure from the rule usually followed.

TIEDMANN v. BROWNELL (United States District Court, District of Columbia).--- This was a suit to set aside a decision of the Director reversing a decision of a Hearing Examiner in favor of the claimant. The claimant, a German citizen who lived in Japan during the war, sued to recover a \$30,000 bank deposit vested by the Alien Property Custodian. The suit contained one count under section 9(a) and a second count based on section 17 of the Act and the Administrative Procedure Act; as to the second count the plaintiff argued that the Director had erred in taking jurisdiction of a petition for review filed by the Chief of the Claims Section four days later than the time allowed by the Regulations. The District Court entered summary judgment for the Attorney General on the first count on the ground that the plaintiff had been doing business in Japan and was therefore an "enemy"; as to the second count it denied plaintiff's motion for summary judgment and granted the Attorney General's motion to dismiss. The plaintiff appealed only from the dismissal of the second count. The Court of Appeals for the District of Columbia Circuit held that the remedy under section 9(a) was exclusive, and since plaintiff conceded that the second count was not within section 9(a), the court directed a dismissal for want of jurisdiction. 15/

UEBERSEE FINANZ-KORPORATION, A.G. v. BROWNELL (United States District Court, District of Columbia).---This is an action to recover shares of stock in various American corporations, including majority stock interests in Spur Distributing Company of Nashville, Tennessee, and Harvard Brewing Company of Lowell, Massachusetts. The total vested property is valued at approximately \$4,000,000. The United States Supreme Court, in April 1952, affirmed a judgment in favor of the Attorney General holding that plaintiff corporation was "enemy tainted" and could not recover. 16/ It remanded the case, however, to permit Fritz von Opel, as a stockholder of Uebersee, to intervene to assert whatever rights he might have to a proportionate share of the vested assets of the corporation in accordance with the court's decision in Kaufman v. Societe Internationale. 17/ A trial was held in the District Court in February and March 1955 on the issues raised by Fritz von Opel's complaint in intervention, and on June 17, 1955 Chief Judge Laws entered an opinion denying recovery to von Opel as intervener on the ground that he was an enemy of the United States within the meaning of the Trading With the Enemy Act, as amended. Appropriate findings and judgment will be entered shortly.

VON DER HEYDT v. BROWNELL (United States District Court, District of Columbia).--- This is an action to recover certain securities and objects of art valued at approximately \$500,000. The plaintiffs in this action are Eduard von der Heydt, formerly a German citizen, now a citizen of Switzerland, and two holding companies wholly owned by von der Heydt. Plaintiffs claim that since von der Heydt is a Swiss citizen who did not reside in Germany during the war, his vested assets should be returned to him. The Office of Alien Property takes the position that von der Heydt was an agent of the German Government, was

15/ 222 F. 2d 802.
16/ 343 U.S. 205.
17/ 343 U.S. 156.

doing business within enemy territory and was enemy tainted, and is therefore ineligible to recover under the Trading With the Enemy Act, as amended. A pretrial hearing was held in the District Court in May 1955 and it is anticipated that the case will be reached for trial late in the year 1955, after completion of other pretrial procedures, including the taking of a number of depositions in Europe during September.

WAGENKNECHT v. BROWNELL, WAGENKNECHT, ET AL v. BROWNELL, ET AL (United States District Court, District of Columbia).---These are four actions brought by a Mexican national as the sole heir and executrix of her deceased husband, Don Edmundo Wagenknecht. In three of these actions there are joined as plaintiffs certain Dutch, Swiss and Swedish corporations which plaintiff also allegedly owns. The cases involve in excess of \$1,300,000 representing cash received by the Attorney General from the redemption of bonds of Hugo Stinnes Industries, Inc., and notes of Hugo Stinnes Corporation; in addition, 1,100 shares of capital stock of Hugo Stinnes Corporation are sought by plaintiff. The Government in one action has counter-claimed for \$3,000,000 based upon the fraudulent return of seized property after World War I because of false affidavits of Don Edmundo Wagenknecht. The cases involve important issues of law concerning the right of allegedly innocent neutral shareholders to recover a proportionate share of the assets of enemy corporations vested by the Attorney General; also, the right of the Attorney General to enter into intercustodial agreements with other countries who have also seized portions of the Hugo Stinnes enterprises. The two principal actions are at issue; the trial thereof has been postponed for the taking of numerous depositions in Europe, the most recent of which is the deposition of Mrs. Claire Hugo Stinnes scheduled for August 30, 1955. An offer of compromise in these cases has been received by the Attorney General but no action taken thereon pending evaluation of the depositions to be taken in Europe.

Miscellaneous Litigation

Among the more important of the 196 miscellaneous cases in which the Office of Alien Property was interested during the fiscal year 1955 were the following:

ECKER v. ATLANTIC REFINING COMPANY AND BROWNELL (United States District Court, District of Maryland).---In 1943 the Custodian vested real estate in Maryland owned by plaintiff and her husband, who were living in Austria, and in 1946 he sold it to the Atlantic Refining Company at private sale, after the high bidder at a public sale in 1944 had failed to complete the deal. The plaintiff, an American citizen, returned to the United States in 1951 and received a return under section 32 of the net proceeds of the sale. She then sued the purchaser for a declaratory judgment that she still owned the property, and the United States and the Attorney General intervened since the constitutionality of the Act was attacked. After a trial the District Court dismissed the complaint, holding that the plaintiff and her husband were "enemies" as "residents within" Austria, that the Act was constitutional, the private sale valid, and there was no evidence of fraud. 18/ The Court of Appeals for the Fourth Circuit affirmed 19/ and a petition for a writ of certiorari has been filed.

BROWNELL v. JOHNSON, STATE TREASURER OF CALIFORNIA (Superior Court, County of Sacramento, California).---In this case the Attorney General sued the State Treasurer of California upon the obligations of certain state "bearer bonds" which had been vested but not reduced to possession. The Attorney General's position in the action was predicated upon the decision of the United States Supreme Court in Cities Service v. McGrath, 20/ wherein it was held that vested obligations evidenced by "bearer bonds" could be enforced under the Trading With the Enemy Act, as amended, even though the bonds themselves were reportedly in the East Zone of Germany and, therefore, unobtainable. The

18/ 125 F. Supp. 605 (Md. 1954).
19/ 222 F. 2d 618 (C.A. 4, 1955).
20/ 342 U.S. 330.

Treasurer of California argued that the Cities Service decision was inapplicable in an action against the officer of a sovereign state. The case was decided in favor of the Attorney General on November 24, 1954. The State of California took no appeal. The decision extends the Cities Service doctrine to municipal as well as private obligations. In so doing, it holds that a state statute requiring delivery of bonds or a certificate of loss before payment or issuance of substitute bonds must yield to the paramount federal law.

BROWNELL v. KERMATH MANUFACTURING CO. (United States District Court, Eastern District of Michigan).---This is a suit by the Attorney General under section 17 of the Trading With the Enemy Act, as amended, to compel payment of a credit balance of \$61,000 carried by Kermath on its books as due to a Japanese corporation and vested under the Act. Kermath defended on the ground that its contract with the Japanese corporation was illegal. The District Court held that the proceeding under section 17 was summary in nature, that the defense of illegality was not available to the defendant, and entered judgment for the Attorney General. 21/ The Court of Appeals for the Sixth Circuit affirmed, holding that the Attorney General does not stand in the position of a creditor with respect to vested property and does not stand in the shoes of the Japanese and that the vesting order should be enforced. 22/ A petition for a writ of certiorari is pending.

BROWNELL v. SCHERING (United States District Court, New Jersey).---This is an action by the Attorney General to compel Schering Corporation to comply with an agreement made in January 1952, obligating Schering to open up 281 of its patents and patent applications for free licensing or licensing on a non-discriminatory and reasonable royalty basis. The Attorney General had vested the shares of capital stock of Schering as property of a German national, and in 1952 had sold the shares in the corporation for \$29,131,000. Before the sale, the Attorney General required the corporation to enter into this contract, in furtherance of the patent policy of the United States in favor of the opening of enemy patents for licensing to the public. Schering counterclaimed seeking rescission of the contract on the ground that the Attorney General lacked authority to enter into the contract and that it was executed by Schering under compulsion. On March 21, 1955, the District Court granted the Attorney General's motion to dismiss the counterclaim. 23/ The comprehensive opinion of the court determined all issues raised by the pleadings. The parties thereupon stipulated that certain stipulations entered into for the purpose of the counterclaim be taken as made for the purpose of the entire action. A final order granting the relief sought by the Attorney General was entered by the court shortly after the end of the fiscal year. Schering has filed notice of appeal.

IN THE MATTER OF SILESIAN-AMERICAN CORPORATION (United States District Court, Southern District of New York).---This is a reorganization proceeding under Chapter 10 of the Bankruptcy Act. The debtor corporation was the pre-war owner of valuable coal and zinc properties valued at 40 to 80 million dollars, located in Silesia, which have now been nationalized by the Government of Poland. The Attorney General has vested 49% of the common stock, \$700,000 of the outstanding bonds, and about 42% of the preferred stock with a par value of \$5,000,000. The Attorney General's right to vest and obtain possession of these securities was contested by the trustee and was sustained by the Supreme Court. 24/ In subsequent litigation the Attorney General successfully opposed a plan of reorganization which had been submitted to the trustee and approved by the District Court, which would have turned over the corporation to a syndicate of Swiss banks. 25/ The trustee subsequently filed a petition for an order levying an assessment against all stockholders on the ground that the stock of the debtor was not fully paid for when originally

21/ 120 F. Supp. 331.

22/ 222 F. 2d 577.

23/ 129 F. Supp. 879.

24/ Silesian-American Corporation v. Clark, 332. U.S. 469.

25/ Conway v. Silesian-American Corporation, et al., 186 F. 2d 201.

issued. In addition, the trustee attempted to obtain jurisdiction in the reorganization court over the syndicate of Swiss banks in order to assert the debtor's claims against those banks for assets looted by the Germans from the debtor's mines and shipped to Switzerland during the war. An order of the District Court denying jurisdiction of the syndicate of Swiss banks was affirmed on appeal. 26/ The Attorney General has petitioned for a writ of certiorari. The trustee has also secured a default judgment against Giesche's Erben, a German debtor, for \$5,000,000. A new plan of reorganization has been proposed which would pay the public bondholders (aside from the Attorney General and Silesian Holding Company, who are also stockholders) in excess of \$1,000,000. This payment represents 60¢ on the dollar of outstanding principal of bonds on which there has been a previous distribution of 10¢ on the dollar. The remaining principal, and interest on the bonds, will be paid in the form of participation certificates. The Attorney General will receive participation certificates in the amount of \$320,000 and cash in the sum of \$3,000 in exchange for the vested bonds and participation certificates in a slightly larger total amount in exchange for interest coupons. The syndicate of Swiss banks and Silesian Holding Company, who are contributing the cash for present distribution, will receive participation certificates for that cash. The stock in the new company will be distributed 50% to the syndicate of Swiss banks, 25% to the Silesian Holding Company and 25% to the Attorney General. By the end of the fiscal year, the District Court had not entered its order approving this plan of reorganization. It did so on August 2, 1955. The plan will become effective when and if the bondholders vote their approval. The vote of the bondholders is scheduled to be taken on September 16, 1955.

Matters Involving Estates and Trusts

The litigation conducted by the Office of Alien Property in connection with the 1,397 cases involving interests in estates and trusts covered, as in past years, a broad range of legal problems. It involved, among other things, objections to the accounts of the fiduciaries, proof of heirship, resisting invalid and exorbitant claims against estates and the construction of wills and trusts instruments.

Special aspects of this litigation involve the interpretation and application of state statutes. Such statutes respecting reciprocal rights of inheritance and escheats continued to figure prominently in litigation involving estates and trusts. The reciprocity statutes, primarily in the States of California, Oregon and Montana, condition an alien's right to inherit property upon the existence in the alien's own country of reciprocal rights of inheritance by United States citizens. In the absence of such reciprocal rights, the alien's share in the domestic estate passes to the American or other eligible heirs of the decedent, or in the absence of such heirs, to the state. The burden of proving the existence of reciprocal rights of inheritance in foreign countries is upon the alien and, where a vesting order has been issued seizing the alien's interest, upon the Attorney General. This requires the testimony of foreign law experts and raises complex questions of law.

In the State of California, the decisions of the Supreme Court in upholding conflicting findings of the lower courts on the issue of reciprocity in the Estate of Bertha Schluttig 27/ and in the Estate of Alice Miller 28/ require each estate involving the question of reciprocal rights of inheritance to be tried on its own merits.

In Oregon, a decision of the Supreme Court in the Estate of John Krachler 29/ reversing the lower court and holding that the discriminatory laws of Germany deny recip-

26/ Conway v. Union Bank of Switzerland, et al., 204 F. 2d 603.

27/ 224 P. 2d (1950).

28/ 230 P. 2d 667 (1951). See Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1951, p. 82

29/ 199 Ore. 448, 263 P. 2d 769

reciprocal rights of inheritance to Americans has resulted in a virtual abandonment of litigation involving this question in those estates where the Oregon decedent died before the cessation of hostilities. However, there is still presented to the courts of Oregon the reciprocal rights question where the decedent died after the date when allied forces occupied Germany. In the Estate of Theodore Vogler, pending in the Circuit Court of Multnomah County, Oregon, the State of Oregon has stipulated that reciprocal inheritance rights existed in Germany on June 11, 1945, the date of decedent's death, conceding that the discriminatory laws of Germany were repealed by the occupying allied armies.

In Montana, the Supreme Court in affirming the holding of the District Court of Meagher County in the Estate of William Gaspar 30/ held that reciprocity existed between Rumania and the United States and awarded the estate valued at \$110,000 to the Attorney General. In another case, Estate of R. E. Werth, the District Court of Flathead County, Montana, held that reciprocal rights of inheritance existed under the laws of Germany and Poland.

In a number of cases, the effect of a vesting order on a state statute providing for the recovery by the heirs, legatees or creditors of the deceased owner of estate property held by a state is questioned. In the Estate of John Zimmerman, the Superior Court for San Diego County, California, held that the proceeds of an estate distributed to the state because of the absence of known heirs were not recoverable by the Attorney General who had succeeded to the interest of the enemy heirs of the decedent, under a vesting order. The court held that the statute required the Attorney General to show that such property, if recovered by him, would actually be received by the heirs, legatees or creditors of the decedent. On appeal the District Court of Appeals reversed 31/ and ordered payment of the vested interests to be made to the Attorney General holding that the state statute involved applies only to a case where a claimant to a fund deposited with the state dies and not where the claimant is still alive.

During the past fiscal year various Superior Court judges in Los Angeles County, California, have held in effect that a bequest or trust provision which is conditioned upon personal receipt by the German beneficiary is not captured by a vesting order. These courts have held further that the vesting order does not prevent the payment now to the German beneficiaries and have directed such payment. These cases include Trust under Deed of John Brockman (see infra under Security-First National Bank of Los Angeles v. Brownell), Trust under Will of Charles W. Neumeister, deceased, and Estate of Louise Schneider. These decisions have been appealed since it is believed that they seriously weaken or destroy basic purposes of the Trading With the Enemy Act, as amended, and are contrary to principles of law established and affirmed by the Supreme Court of the United States.

McGRATH v. AMERICAN NATIONAL BANK OF DENVER (United States District Court, District of Colorado).---This was a suit brought by the Attorney General against a trustee to obtain possession of some \$12,000 which the Attorney General had vested as property held in trust for enemy nationals. After the trustee had voluntarily paid over the property, the enemy nationals sought leave to intervene to challenge the right of the Attorney General to the property. The denial of such leave by the United States District Court for the District of Colorado was upheld by the Court of Appeals on the grounds that the action had been mooted and that, in any event, in a summary possessory proceeding, the right of the Attorney General to possession of property which he has determined to be enemy owned may not be challenged. 32/ A petition for re-hearing was denied on September 19, 1954.

30/ 275 P. 2d 656.
31/ 283 P. 2d 68.
32/ 215 F. 2d 297.

MATTER OF TITLE GUARANTEE & TRUST CO. (RICHARD HELLMAN), (Supreme Court, New York County, N. Y.).---This was an inter vivos trust of personal property involving about \$10,000 for the benefit of a life beneficiary and his wife and children as remaindermen, all enemy nationals. In the trustee's petition to settle its account, the Special Term of the Supreme Court ordered the trustee to pay the corpus to the Attorney General who had vested the shares of the enemy nationals. The court overruled the objection of the settlor who asked that the trust property be returned to him by way of a resulting trust which he contended arose from frustration and illegality due to the imposition of freezing controls and the outbreak of war. 33/ This decision was unanimously affirmed without opinion by the Appellate Division. 34/

ESTATE OF EDWIN F. KNOWLTON (Surrogate's Court, Kings County, New York)(Two proceedings).---These proceedings were compromised in 1953 by an agreement by which the Attorney General was to receive approximately \$1,800,000, being the two-thirds interest of Edwin and Constance von Francken-Sierstorff in the corpus of this trust estate. In addition, the Attorney General was to receive \$150,000 from another one-third share. Edwin and Constance, by separate agreement with the other shareholder, were each to receive \$125,000 from that share. These compromise agreements were required to be submitted to the Surrogate's Court for approval. Several persons and corporations describing themselves as assignors and sub-assignors of Edwin and Constance opposed the approval of the compromise unless the Court protected their alleged interests. The Attorney General challenged the right of the assignors and sub-assignors to be heard on the ground that the vesting order divested Edwin and Constance of every interest in the trust created under the will of Edwin Knowlton leaving them with nothing to assign and, further, that any purported assignment by Edwin and Constance violated the Assignments of Claims Act. The court sustained the Attorney General and declared that the purported assignments were neither legal nor equitable assignments and at best only created in the assignors and sub-assignors equitable rights in such monies as Constance and Edwin might get from their separate agreements which were not interests in the trusts seized by the Attorney General. The compromise agreements were approved.

FIRST NATIONAL BANK OF CHICAGO, TRUSTEE UNDER THE WILL OF HENRY LANGHORST v. BARTHOLOMEY, ET AL. (Superior Court, Cook County, Illinois).---The plaintiff is trustee of a testamentary trust with assets of approximately \$2,500,000. The Attorney General, as successor to certain German beneficiaries, claims to be entitled to 3/5 of the income and corpus. The trustee has commenced the above action for construction naming both the Attorney General and the German beneficiaries as defendants. The matter is awaiting trial on the merits.

ESTATE OF RICHARD LEEFERS (Superior Court, San Diego County, California).---The Attorney General vested the interests of certain enemy nationals in an estate of a California decedent who died on January 19, 1944, leaving an estate of about \$11,000. Under section 259 of the California Probate Code, an alien's right to inherit property from a California decedent is dependent upon existence, in the alien's own country, of a reciprocal right of inheritance by American citizens. The Superior Court, San Diego County, found after trial that reciprocity did not exist on the material date, and accordingly denied the Attorney General's request for distribution of the alien's interest in the estate. This opinion was upheld by the California District Court of Appeals. 35/

BROWNELL v. MERCANTILE TRUST COMPANY, ET AL. (United States District Court, Eastern District of Missouri).---The defendants are trustees of a trust fund valued at approximately \$2,000,000. The Attorney General claims to be entitled to approximately \$600,000 of the corpus as the successor in interest to certain German beneficiaries. The trustees,

33/ 132 N.Y.S. 2d 254.

34/ N.Y.L.J., p. 7, June 1, 1955.

35/ 127 Cal. App. 2d 658, 274 P. 2d 239.

while paying income to the Attorney General, have refused to make any payment of corpus, contending that they have discretion to withhold payments to any beneficiary until 21 years after the death of the last life tenant. The Attorney General challenges this contention urging that the discretion is exercisable only if a foreign government's laws threaten the free use and enjoyment of the fund. Depositions were taken in the action in March 1955. After the close of the fiscal year, the case was tried and taken under advisement by the court.

MATTER OF THE BANK OF NEW YORK AS TRUSTEE UNDER THE WILL OF ADA M. VON MERENBERG, DECEASED (Supreme Court, New York County, New York).---The Attorney General seized the interests in this estate of the husband and a sister of the testatrix. Two of the testamentary trusts involved provide for holding property in trust for three lives with remainder to the issue of the third life beneficiary or, in default of issue, to the heirs-at-law of the testatrix as determined by New York law as of the death of the third life beneficiary. In an accounting proceeding brought by the trustee, the court held that the suspension of the power of alienation for more than two lives was contrary to section 11 of the New York Personal Property Law. In order to preserve the testatrix's primary intent and general plan, the court found that the valid portions of the trusts could be separated from the invalid ones and upheld the trusts for the lives of the first two life beneficiaries. Because the interests of the remaindermen were contingent, it further held that the corpora of the trusts passed by intestacy. On that basis the court directed that three-quarters of the corpus of each trust was to be paid to the Attorney General.

BROWNELL v. NATIONAL SAVINGS AND TRUST CO., ET AL. (United States District Court, District of Columbia).---The National Savings and Trust Co. and another, were trustees of three trusts, created by Baron Alfred Palm, Irene Baronin St. Andre and Blanca Baronin Cotta. In 1951 the Attorney General vested the corpus of all three trusts, valued at \$250,000, on the ground that all of the beneficiaries were enemy nationals. On refusal of the trustees to turn over the vested property, the above action was commenced and on January 28, 1954 the District Court entered an order directing the trustees to comply with the vesting order. On appeal by the trustees the Court of Appeals for the District of Columbia Circuit affirmed. 36/ It rejected appellants' contentions that the cessation of hostilities and other events had terminated the authority to seize enemy property before 1951, and held that the authority to seize continued in force at least until October 19, 1951, the date of the Joint Resolution terminating the World War II state of war with Germany. On June 6, 1955 the Supreme Court denied a petition for a writ of certiorari. 37/

ORME v. THE NORTHERN TRUST COMPANY (Estate of Louisa G. Bigelow)(Circuit Court, Cook County, Illinois).---This case involves a will in which the decedent left her property in trust to three granddaughters for life with remainder to their children. The trust estate is now valued at \$2,000,000. The Attorney General vested the interests of persons entitled to 4/9ths of the trust corpus. One of the granddaughters executed a will attempting to leave an interest in the corpus to the plaintiff. After her death he brought suit against the trustee alleging that the rule in Shelley's case effected a merger of the entire estate in the life tenants. The court has held that the interests of enemy beneficiaries were validly vested by the Attorney General and that they were not proper parties to the suit. 38/ Trial was commenced in June 1955 in which the Attorney General, with other defendants, took the position that the rights of the life beneficiaries to life interests already had been established by prior judgment and in any event the successors to the parties in interest, including plaintiff, are bound by the interpretation given the trust instrument by the life beneficiaries during their lifetime. Issue was also raised as to the validity of the adoption of an alleged child

36/ 222 F. 2d 395.

37/ 75 S. Ct. 885.

38/ 410 Ill. 354, 102 N.E. 2d. 335, cert. den. 343 U.S. 921.

of the aforesaid granddaughter who is claiming adversely to plaintiff and to the Attorney General.

BROWNELL v. RAUBENHEIMER (United States District Court, Southern District of New York).---Charles Raubenheimer died testate in 1943, a resident of Missouri. Item 8 of his will provided as follows:

I hereby give and bequeath to my sister, Frieda Elizabeth Raubenheimer, Irvington, New Jersey, or her heirs, the sum of One Thousand Dollars (\$1,000.00); and five (5) shares Union Electric Light & Power Co., of City of St. Louis, stock, and ten (10) shares capital stock of Oil Conversion Progress Corporation, and all cash and bank books at the Mercantile Trust Company in my safe deposit box. The One Thousand Dollars given to the said sister Frieda Elizabeth Raubenheimer is for her own property absolutely. But the shares of stock mentioned in this Item 8, and cash and bank books in my safe deposit box at Mercantile Trust Company is to be divided among our living heirs as she sees fit and chooses to do.

In accordance with the provisions of Item 8, the executor delivered to Frieda Raubenheimer all the property described in Item 8 to be disposed of as therein provided. Since all of the decedent's heirs, except Frieda, were "enemies" under the Trading With the Enemy Act, as amended, the Alien Property Custodian vested in himself the interests created in them by the decedent's will. The Attorney General, as successor to the Alien Property Custodian, thereupon demanded that Frieda deliver all the property turned over to her by the executor except for the \$1,000. Upon her refusal, he brought suit in the District Court for the Southern District of New York. The District Court concluded that Item 8 granted Frieda the beneficial interest in the \$1,000 only and ordered her to turn over to the Attorney General the balance of the property. The court held that the absolute gift conferred by the first sentence was cut down by the clear language of the two subsequent sentences and that Frieda could not distribute the property in its entirety to herself since she was not within the class described as "our living heirs." 39/ The Court of Appeals for the Second Circuit affirmed per curiam on the opinion of the District Court. 40/

CHASE NATIONAL BANK v. REINICKE (Supreme Court, New York County, New York).--- In 1945 the Alien Property Custodian vested the right, title and interest of Bruno Reinicke and of his wife, children, and other beneficiaries in an inter vivos trust. Following the vesting order the Custodian intervened in a suit in the New York State courts brought by the trustee for instructions. The decision, which was affirmed by the Appellate Division and by the Court of Appeals, was that the Custodian was not entitled to receive the income and that he had not succeeded to the powers which Reinicke had over the trust. In 1953 the Attorney General amended the vesting order to res vest the corpus of the trust. Instead of complying with the Attorney General's demand for transfer, the trustee brought a suit in the New York Supreme Court for instructions in which it named the Attorney General as a defendant. The Attorney General appeared and contended in his answer that the trustee was bound to comply with the vesting order and that the state court was without jurisdiction to adjudicate the title to the property as against him. Judgment was entered in favor of the trustee. The grounds of the decision apparently were that the earlier judgment was res judicata of the Attorney General's right to receive the property and that compliance with the vesting order would prejudice the rights of beneficiaries who had remainder interests. 41/ The Attorney General appealed to the

39/ 112 F. Supp. 154.

40/ 216 F. 2d 751.

41/ New York Law Journal, May 28, 1954, p. 7.

Appellate Division, relying on Zittman v. McGrath 42/ and Brownell v. Singer, 43/ for the proposition that a res vesting order must be complied with and that questions of title must thereafter be adjudicated under the procedures provided in the Trading With the Enemy Act, as amended. The Appellate Division affirmed, 44/ and a motion has been filed with the New York Court of Appeals for leave to appeal to that court.

MATTER OF TRUST ESTATE OF H. RENJES, DECEASED (Circuit Court, First Judicial District, Territory of Hawaii).---The testamentary trust involved in this proceeding was for the benefit of the testator's wife for life, with the remainder to his daughter upon the wife's death. The remainderman predeceased the life beneficiary and left as her heirs two daughters, one of them a resident and citizen of Germany and the other of the United States. The life beneficiary died in 1952 and in April 1953 the Attorney General vested all interests in the trust estate of the successors in interest of the life beneficiary except the American grandchild of the testator. The German national sought to intervene on the ground (1) that the Attorney General had no authority to issue a vesting order after the enactment of the Joint Resolution terminating the war with Germany and (2) that the national's interest was contingent and did not become a vestible property right until the death of the life tenant in 1952 and was therefore not subject to the Trading With the Enemy Act, as amended. The court directed the payment of one-half of the corpus of the trust, valued at approximately \$125,000, to the Attorney General. In its opinion, it held that the Attorney General's vesting power did not terminate when the Joint Resolution of October 19, 1951, terminating the state of war with Germany for most purposes, became effective and that the interest of the remainderman vested upon the death of the testator and, even if contingent, was subject to seizure under the Trading With the Enemy Act, as amended.

ESTATE OF ELIZABETH S. von RUMOHR (Surrogate's Court, Erie County, New York).---Mrs. von Rumohr owned property in the United States, consisting of 1,000 shares of stock of a Delaware corporation valued at approximately \$650,000, and some \$50,000 in liquid assets. In 1943, the Alien Property Custodian vested the 1,000 shares of stock. He did not, however, vest the \$50,000 in liquid assets during Mrs. Rumohr's lifetime. In 1945, Mrs. von Rumohr died testate, a resident of Germany. Her will left her estate to her executors to be divided and held in separate trusts for each of her five children for life and, on the death of each child, the remainder of his trust was distributable to his issue. All beneficiaries under the will were residents and nationals of Germany except for a son, Christian, and his issue, who were Americans living in the United States. Following Mrs. von Rumohr's death, the Custodian issued a further order by which he vested the interests of all beneficiaries in being, in the estate, except those of Christian and his issue. In 1948, Christian filed a claim in his individual capacity with the Attorney General for 200 shares of stock, based on his interest in one-fifth of the estate. In allowing Christian's claim, it was provided that the return should be made to the trustees, rather than to Christian individually. In a proceeding brought by the executors and trustees to settle their accounts, the Attorney General asked that the expenses which the executors had incurred in prosecuting the claim which Christian as beneficiary had filed for the return of the 200 shares of stock be charged to the trust erected for the benefit of Christian and his issue, the trust consisting of the returned 200 shares of stock. The Surrogate's Court of Erie County, however, decreed that all payments (which included executors' commissions on those 200 shares of stock and the expenses incurred in recovering them) as well as all additional administration expenses to be incurred, should be paid out of the \$50,000 in the hands of the executors. He further decreed that no part of those expenses should be specially charged against the 200 shares of stock placed in trust for the benefit of Christian. On appeal, the Appellate Division of the Supreme Court, Fourth Department, reversed, holding that the 200 shares of stock transferred directly to the trustees, who had been substituted as claimants in the personal claim of Christian, was

42/ 341 U.S. 471.

43/ 347 U.S. 403

44/ New York Law Journal, June 15, 1955.

not a return of those shares to the executors and formed no part of the estate. Accordingly, there should be no executors' commissions allowed on those shares and the trust in which these shares were held should be charged with the expenses incurred in securing their return from the Attorney General. 45/

ST. LOUIS UNION TRUST CO. v. GREENOUGH (ESTATE OF ADOLPHUS BUSCH) (Circuit Court, St. Louis, Missouri).---Adolphus Busch died testate in 1913, a resident of St. Louis, Missouri. He was survived by his widow and seven children. His will divided his estate into eight parts and one of such eight parts was left in trust for his daughter, Wilhelmine. Wilhelmine died in 1952, leaving no children or descendants of any deceased child. The will provided that in such case, "said share shall go absolutely to the brothers and sisters of my said daughter, per stirpes, and not per capita." In a proceeding brought by the trustee under the will as to the proper interpretation of the above quoted clause, the Circuit Court of the City of St. Louis held that only those brothers and sisters who survived Wilhelmine and those children and descendants of deceased children who survived Wilhelmine, were entitled to share in the gift. Accordingly, it decreed that the Attorney General was not entitled to share in the gift since his vesting order captured an interest which was derived ultimately through a brother who, although he had survived the testator, died before Wilhelmine. The matter has been appealed and is now pending decision in the Missouri Supreme Court.

ESTATE OF HEINRICH SANDHAGEN (Surrogate's Court, New York County, N.Y.).---The decedent left property in trust to nationals of Germany with the Central Hanover Bank as trustee. The Attorney General vested the interests of the beneficiaries and, after a contested proceeding against the trustee, obtained an order directing termination of the trust and delivery of the corpus to the Attorney General. Thereafter the Surrogate entered a judgment settling the trust account and directing the delivery of \$354,920.18 to the Attorney General. During the pendency of the appeal filed by the trustee from that judgment, the life tenant died, rendering the appeal moot. Thus the judgment of the Surrogate's Court became final and distribution was made to the Attorney General, during the 1955 fiscal year.

SECURITY-FIRST NATIONAL BANK OF LOS ANGELES v. BROWNELL (Superior Court, Los Angeles County, California).---The settlor conveyed interests in real and personal property having a value of \$7,000,000 to the plaintiff bank to be held in trust, the income therefrom to be paid to the named nieces, nephews and widows of nephews during their respective lifetimes and upon their deaths to the issue of said nieces and nephews. Upon the death of the last surviving niece or nephew, the trust is to terminate and the corpus is distributable to the persons then entitled to the income. The Attorney General vested the interests of enemies who are entitled to approximately one-fifth of the income and corpus interests created under the trust. Suit was instituted in the Superior Court of Los Angeles County by the trustee for a construction of the trust agreement. Various parties contended that the Attorney General's vesting order was ineffective because the gifts to the enemies were subject to a condition precedent requiring personal receipt and that the enemies whose interests were vested are entitled to appear by their own counsel and participate in the conduct of the litigation. Questions were also raised as to the applicability of the reciprocal rights of inheritance statute and to the appropriateness of certain charges made against the trust by the trustee, and the right of counsel, including representatives of the Attorney General, to payment of fees and expenses out of trust property. After trial held in November 1953 and August 1954, the court took the case under advisement and handed down its opinion in December 1954, determining that the vesting action by the Attorney General was ineffective to capture the interests of the enemy nationals. It held that the enemies were proper parties and to the extent that property would have been distributable to them before General License No. 101 was adopted in 1953, such property became payable to non-vestees who constituted a part of a class of

enemies and non-enemies entitled to payment under a gift-over provision. The court determined that the enemy nationals were entitled to income and corpus which became distributable after the effective date of said license. The court also held that the reciprocity statute was not applicable, that no issue had been raised with respect to the propriety of the trustee's accounts and that counsel, other than the Attorney General who was unsuccessful in the litigation, were entitled to fees out of the income. Proposed findings of facts are in dispute.

Insurance Matters

At the beginning of the fiscal year 1955 there were 728 vestings of the interests of enemies in insurance policies outstanding. In most of these, the insurer will pay over to the Attorney General the cash surrender value, or face amount, upon proof of either the existence or the death of the insured.

The decisions in the cases of Brownell v. Sun Life Insurance Company of Canada by the Supreme Court of the Philippines and Cities Service Company v. McGrath ^{46/} in the Supreme Court of the United States have resolved the two major legal questions concerning the effect of the Trading With the Enemy Act, as amended, on insurance policies. Some litigation, however, is anticipated with respect to insurance matters but these will be confined, to the most part, to normal questions of insurance law rather than to the effect of the Act on such law.

In Maske v. Sun Life Insurance Company and Brownell (United States District Court, District of Columbia), the plaintiff sought a declaration that the Philippine Alien Property Custodian had no authority to issue vesting orders in the Republic of the Philippines after July 4, 1946 and that an insurance contract written in Manila by a Canadian insurance company was not "property" in the Philippines. This case was reached for pre-trial in April 1955, at which time the plaintiff consented to a dismissal of his suit with prejudice.

The case of Prahl v. Pan-American Insurance Company pending in the Court of First Instance of Venezuela may be the forerunner of a suit in this country to apply the principle enunciated in Cities Service Company v. McGrath. ^{47/} Prahl's interest, as the insured under an insurance policy written by the Pan-American Insurance Company, was seized by the Attorney General. The insurance company, pursuant to the vesting order, complied with the demand and paid to the Attorney General the insured's interest. Prahl, claiming to have been a resident of Venezuela, temporarily in Germany during the war years, seeks to recover from the insurance company the value of his policy. Directly involved in the suit is the recognition which the courts of Venezuela will give to the Trading With the Enemy Act, as amended, and, in particular, the effectiveness of the release and discharge provisions of that Act on an American insurance company which complies with demands made lawfully thereunder. Should the insurance company be unsuccessful in its defense of the Venezuelan suit, it will undoubtedly commence an action against the Attorney General in the courts of this country on the ground that such double payment constitutes the taking of property without due process of law, a result which the Cities Service case had interdicted as an unconstitutional application of the Trading With the Enemy Act, as amended.

^{46/} 342 U.S. 330.
^{47/} Supra.

VIII

ORGANIZATION, FINANCES AND ACCOUNTING

Col. Dallas S. Townsend continued as Assistant Attorney General, Director, Office of Alien Property, through the fiscal year 1955, together with Mr. Paul V. Myron, Deputy Director.

ORGANIZATION

Administrative Units

The various administrative units of the Office of Alien Property and the number of full-time employees assigned to each at the close of the fiscal year 1955, are listed below:

<u>Administrative Unit</u>	<u>Number of employees as of June 30, 1955</u> ^{1/}
Office of Assistant Attorney General.....	21
Liquidation Section.....	42
Legal and Legislative Section.....	24
Claims Section.....	90
Litigation Section.....	64
Administrative Section.....	51
Comptroller's Section.....	55
Overseas Office.....	5
Office of the Manager, San Francisco.....	6
Office of the Manager, Honolulu ^{2/}	4
Office of the Manager, Tokyo.....	2
Total.....	<u>364</u>

^{1/} Excluding three part-time employees.

^{2/} This Office was closed, effective at close of business June 30, 1955.

Geographical Distribution of Personnel

The main office of the Office of Alien Property is in Washington with field offices located in San Francisco, Manila and Tokyo. The headquarters of the Overseas Office is in Munich, Germany.

FINANCES AND ACCOUNTING

The administrative expenses of the Office of Alien Property are financed from funds acquired through the vesting and administration of property under the jurisdiction of the Office. A limit on the amount that may be expended for general administrative expenses each year is established by annual authorization by the Congress. Direct expenses arising from the administration of specific vested properties are not included in this general limitation.

Detailed accounting records on all vested properties and on controlled business enterprises that are in the process of liquidation are maintained by the Office. The Comptroller's Section of the Office of Alien Property keeps the accounting records on administrative expenses of the Office. An annual audit of the books and records of the Office is conducted by a firm of certified public accountants.

Finances

The regular authorization by the Congress for general administrative expenses for the fiscal year 1955 was in the amount of \$3,000,000 (Public Law 471, 83rd Cong., 2nd Sess., approved July 2, 1954). ^{1/}

Administrative expenses for the fiscal year 1955 totaled \$2,616,807.48. A statement of these expenses and the means by which the expenses were financed are shown in table 27. Comparative data for previous years are also shown in the table.

Accounting

A report of Peat, Marwick, Mitchell & Co., certified public accountants, on its audit of the books of the Office of Alien Property for the fiscal year ended June 30, 1955 is presented at the end of this chapter.

^{1/} 68 Stat. 413.

Table 27.--ADMINISTRATIVE EXPENSES AND MEANS OF FINANCING, FOR PERIODS 1942 THROUGH 1951, AND FOR THE FISCAL YEARS ENDED JUNE 30, 1952, 1953, 1954, AND 1955

NOTE.--The statements shown on this table are not identical with those shown in table 28 of the Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1954, owing to adjustments made subsequent to June 30, 1954. Amounts previously shown as reimbursements to other agencies are now included under the object classification in which the funds were expended.

	April 21, 1942 to June 30, 1951	July 1, 1951 to June 30, 1952	July 1, 1952 to June 30, 1953	July 1, 1953 to June 30, 1954	July 1, 1954 to June 30, 1955	Total
ADMINISTRATIVE EXPENSES						
Personal services.....	\$29,688,242.92	\$3,220,738.70	\$2,988,667.97	\$2,101,164.92	\$2,204,390.54	\$40,203,205.05
Travel.....	889,381.05	36,814.67	49,300.57	25,447.94	36,754.99	1,037,699.22
Transportation of things..	115,513.91	7,039.76	6,092.01	3,245.62	2,125.99	134,017.29
Communication services....	504,570.63	35,493.70	43,309.28	18,503.52	22,229.94	624,107.07
Rents and utilities.....	2,513,525.57	198,304.84	169,459.69	119,767.98	115,132.80	3,116,190.88
Printing and binding.....	564,878.27	20,061.80	17,103.40	5,348.04	12,507.18	619,898.69
Other contractual services	1,600,348.42	208,215.85	286,045.52	170,978.34	185,967.72	2,451,555.85
Supplies and materials....	447,682.93	28,250.89	57,671.85	9,458.12	17,937.53	561,001.32
Equipment.....	484,108.02	8,157.70	26,288.55	5,634.45	16,153.79	540,342.51
F.I.C.A. contributions....	1,057.54	3,063.01	2,936.24	1,225.20	3,607.00	11,888.99
Total.....	36,809,309.26	3,766,140.92	3,646,875.08	2,460,774.13	2,616,807.48	49,299,906.87
MEANS OF FINANCING						
1. World War I Administra- tive Expense Fund.....	4,063,088.71	.....	.....	.....	.....	4,063,088.71
2. World War II Vested Property Funds: (a) Recoveries of ex- penses from vested enterprises and other properties... (b) General transfer of cash from vested property funds 1/..	233,921.06	47,516.25	31,432.92	34,815.68	52,085.21	399,771.12
3. Reimbursement received for expenses incurred in representing per- sons residing behind enemy lines in court or administrative ac- tions or proceedings.	26,835,250.05	3,365,137.55	(2,982,354.02)	828,863.71	(1,886,725.71)	26,160,171.58
4. Conservatory and admin- istrative expenses recovered upon return of World War II vested property and the pay- ment of debt claims...	346,915.19	(1,490.83)	(30.00)	(193.00)	.....	345,201.36
5. Recoveries of expenses from Philippine Alien Property Administra- tion to Oct. 13, 1946, and from Philippine vested property subse- quent to June 29, 1951	4,351,599.75	259,849.01	6,593,781.40	1,563,567.31	4,435,927.73	17,204,725.20
6. Miscellaneous receipts: (a) License fees, re- ceipts from sale of patent catalogs and other receipts..... (b) Receipts from sale of republished peri- odicals.....	124,214.14	30,955.96	.....	30,646.02	.....	185,816.12
	615,090.55	64,172.98	4,044.78	3,074.41	15,520.25	701,902.97
	239,229.81	.....	.....	.....	.....	239,229.81
Total.....	36,809,309.26	3,766,140.92	3,646,875.08	2,460,774.13	2,616,807.48	49,299,206.87

1/ A considerable portion of the expenses financed by general transfers of vested property funds to the administra-
tive expense fund will ultimately be recovered from specified vested properties for which expenses were incurred.

() Denotes minus figure.

ACCOUNTANTS' REPORT

PEAT, MARWICK, MITCHELL & CO.
American Security Building
Washington 5, D. C.

Colonel Dallas S. Townsend
Assistant Attorney General
Director, Office of Alien Property
Department of Justice
Washington 25, D. C.

We have examined the general accounts maintained by the Comptroller's Section of the Office of Alien Property for the purpose of controlling vested assets and recording accountability therefor for the fiscal year ended June 30, 1955, but we did not review the financial and statistical information and statements which will be contained in the detailed annual report of the Office of Alien Property for such year. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Such examination included count of securities and personal property in the custody of employees in offices of the Office of Alien Property in the United States; test-confirmation of vested assets in the custody of others at June 30, 1955; test-check and confirmation of recorded cash receipts; test-examination of vouchers covering administrative expenses and other disbursements; check of reconciliations and confirmation of bank balances; and review of procedures followed in the sale, return or other disposition of vested assets during the fiscal year as to compliance with the policies set forth in regulations governing such disposals. Examination of the accounts maintained in the Manila office of the Office of Alien Property has been made by other independent accountants and their report on such examination has been submitted to us.

The accounting records of many of the vested enterprises in process of liquidation and of some operating vested enterprises of minor importance were maintained in offices of the Office of Alien Property. We reviewed the available accounting records of enterprises so maintained. Our review included check of the reconciliations and confirmation of bank balances in the United States, count or confirmation of securities held in the United States, and review of disposals of assets (other than sales made in the regular course of business) during the fiscal year; but we did not audit the accounts of such enterprises. With the exception of a few enterprises either not under the exclusive control of the Office of Alien Property or of minor importance, the accounts of the operating enterprises whose accounting records are maintained by their own personnel have been examined by public accountants at various dates during the fiscal year. Reports of such public accountants, submitted for our inspection, contain unqualified opinions as to the financial position of these enterprises.

In our opinion, the individual exceptions disclosed as a result of our examination for the year ended June 30, 1955 are not regarded as relatively significant.

Peat, Marwick, Mitchell & Co.

Washington, D. C.
January 12, 1956

324309

EXHIBIT A

SUPPLEMENT TO LISTS OF VESTING ORDERS ISSUED BY THE OFFICE OF ALIEN PROPERTY,
MARCH 11, 1942, TO JUNE 30, 1955

NOTE.--The lists to which these additions are made were published each year as Exhibit A, Annual Report of the Office of Alien Property, fiscal years ended June 30, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953 and 1954. The additions consist of published amendments signed during the fiscal year ended June 30, 1955 but relating to vesting orders signed prior to July 1, 1954.

Vesting order No.	Description	Date published in Federal Register
1318	Amendment.....	Jan. 19, 1955
4061	...do.....	Oct. 28, 1954
7914	...do.....	Sept. 4, 1954
11981	...do.....	Dec. 15, 1954
14352	Amendment, as amended.....	Jan. 11, 1955
15107	Amendment.....	July 14, 1954
16217	...do.....	June 7, 1955
16580	...do.....	May 27, 1955
16710	...do.....	Feb. 8, 1955
17997	...do.....	June 7, 1955
18023	...do.....	Oct. 21, 1954
18123	...do.....	Mar. 8, 1955
18932	...do.....	Dec. 31, 1954
19281	Admendment, as amended.....	July 20, 1954
	...do.....	May 7, 1955

EXHIBIT B

RULES AND REGULATIONS OF THE OFFICE OF ALIEN PROPERTY IN EFFECT AS OF JUNE 30, 1955

Note.--The rules and regulations of the Office of Alien Property were formerly designated as General Orders Nos. 1-36. (See Annual Report, fiscal year ended June 30, 1948, Exhibit C, p. 147). On Dec. 31, 1948, the rules and regulations of the Office were amended and recodified and published in the Federal Register (13. F. R. 9497-9547) and are now designated as Parts 501-512 of Title 8, Chapter II, Code of Federal Regulations (1949 edition). The rules and regulations of the Office were further amended and published in the Federal Register (17 F. R. 11781-11843). Regulations pertaining to the control of foreign funds were adopted in their entirety from the Treasury Department on Oct. 1, 1948 and were incorporated in the rules and regulations of the Office.

Part No.	Subject matter	Federal Register citation
501	General rules of procedure.....	13-9498
	Amended.....	17-2483
	...do.....	17-11779
	...do.....	19-1211
502	Rules of procedure for claims.....	13-9503
	Amended.....	16-5105
	...do.....	16-11137
	...do.....	17-5211
	...do.....	17-11836
	...do.....	18-6237
	...do.....	18-8476
503	Availability of records.....	13-9507
	Amended.....	17-11781
	...do.....	19-1211
	...do.....	19-6566
504	Vesting orders.....	13-9508
505	Specific prohibitions.....	13-9508
	Amended.....	17-11781
	...do.....	20-4395
506	Property in process of judicially supervised administration, or in court or administrative proceeding.....	13-9510
	Amended.....	17-11782
	...do.....	19-1212
507	Patents, trade-marks and copyrights.....	13-9511
	Amended.....	14-4788
	...do.....	17-11782
	...do.....	17-11842
508	Administration of alien property seized during World War I.....	13-9512
509	Foreign exchange rates.....	13-9513
	Amended.....	17-11784
510	Reports.....	13-9513
	Amended.....	17-11784
	...do.....	19-1212

Exhibit B - Concluded

Part No.	Subject matter	Federal Register citation
511	Blocked assets: regulations originally issued by the Treasury Department <u>1/</u> Amended..... ...do..... ...do..... ...do..... ...do..... ...do.....	13-9518 15-1029 16-7310 16-10715 17-800 17-11785 18-3687

1/ For the text of Executive Order No. 9989 of Aug. 20, 1948, which transferred jurisdiction over assets blocked as of Sept. 30, 1948 to the Attorney General, see Annual Report, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1949 pp. 135-136.

EXHIBIT C

LIST OF DISSOLUTION ORDERS ISSUED BY THE OFFICE OF ALIEN PROPERTY,
JULY 1, 1954 TO JUNE 30, 1955

Dissolu- tion order No.	Related vesting order No.	Name of corporation ordered dissolved	Date executed	Federal Register citation
107	2953	Schloemann Engineering Corp....	10-29-54	19-7174
108	30, 13249	Avonzel Corp.....	11-15-54	19-7620
109	391	San Cristobal Apartments, Inc..	1-19-55	20-567

EXHIBIT D

LIST OF RETURN ORDERS ISSUED BY THE OFFICE OF ALIEN PROPERTY
JULY 1, 1954 TO JUNE 30, 1955

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2074	17231	Hagime Kurosu.....	\$1,478.62.....	Oct. 4, 1954
2094	666	Anna Miremont.....	Patent.....	July 9, 1954
2097	3623, 3624	Otto Muller, Anc. Adm. of the Estate of Nettie K. Koenigstein, dec.....	\$5,515.93; mortgage participation certifi- cates.....	.....do.....
2098	2741	Robert Durrigl.....	\$100.00.....	July 2, 1954
2100	5647	Mathias and Ignaz Szedenk; Elizabeth Biricz, Maria Fischer, Lidvina and Dometer Szedenk.	\$1,920.00 to each; \$274.28 to each.....	.....do.....
2101	5283	Klara Badrian.....	\$374.41.....	July 9, 1954
2102	18053	Jeanne Weiler, Paul and Lucy Metzger....	\$1,068.46; \$33,522.95.....	.....do.....
2103	1758	Fritz Rotter.....	\$1,916.52; interest in copyrights.....	July 22, 1954
2104	104	Hans Maximilian Calmann...	\$2,268.90.....	July 14, 1954
2105	18941, 19268	Jack R. Johnston.....	Bonds.....	.....do.....
2106	5345, 14103	Sumiko Nishi.....	\$9,312.71.....	.....do.....
2107	671	N. V. Servo-Balans.....	Patent.....	July 16, 1954
2108	1/	Luigi, Filomena and Maria Caiazzo.	\$704.48 to each.....	.....do.....
2109	1042	Bertha Schulman and Itta Woellerich; Philip H. Orth, Exec. of the Estates of Miriam Friedberger and Julius Brafman, dec.	\$3,424.42 to each; \$6,848.85.....	Aug. 5, 1954
2110	1368	Tommasina Shipano.....	\$2,371.39; and Italian Postal Savings Book....	July 16, 1954
2111	68	Samuel Hersch Horenstein..	Interest in a patent....	July 19, 1954
2112	1758	Grazia Berardi (widow of Albert Archivio).....	\$305.07; interest in a copyright.....	.....do.....
2113	9402	Hanna Stenzel.....	\$33,580.97.....	Oct. 4, 1954
2114	8704	Eva Jahn.....	\$330.83; interest in a trust under will.....	Aug. 18, 1954
2115	1501	Honpa Hongwanji Kalihi Fukyo Jo.	\$351.16.....	.....do.....
2116	293, 666, 1187	Jacques Muller.....	Patents.....	Aug. 5, 1954
2117	672	Theodor Broch Unger.....	Patents.....do.....
2118	16602	Taeko Okada.....	\$1,448.00.....do.....

See footnote at end of exhibit

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Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned.	Date executed
2119	2429	Otto Reich and Julius Vignati.	Patent.....	Aug. 5, 1954
2120	1501	Kakaako Honpa Hongwanji Nambu Fukyo-Jo.	\$63.68.....	Aug. 18, 1954
2121	1028	Robert Leon Dardelet.....	Patents.....	Aug. 5, 1954
2122	15084	Anna Hornisher.....	\$150.00.....	.....do.....
2123	666	Maurice Antoine Sertillange.	Patent.....	.....do.....
2124	667	Adolphe Leon Naget.....	Patent.....	.....do.....
2125	1570	Louise Moses and Simon Schwarzweiss.	\$578.95 to each.....	.....do.....
2126	675	Joseph Annicq.....	\$1,491.72; interest in a patent and patent contract.....	Aug. 18, 1954
2127	10814	Ryomi Tanino.....	\$1,181.18; real property	.....do.....
2128	1501	American Red Cross Hawaii Chap.	\$5.56.....	.....do.....
2129	1501	Lawrence R. Holt, Stat. Adm. of the Estate of Chiru Oyadomari, dec.	\$38.79.....	.....do.....
2130	1758	Adele Reinhardt.....	\$279.07; interest in copyrights.....	.....do.....
2131	5361	Severin Knebel.....	\$4,847.60.....	.....do.....
2132	1028	Maurice Georges Heitz-Boyer.	Patent.....	.....do.....
2133	1028	Societe d'Outillage Mecanique et d'Usinage d'Artillerie (SOMUA).	Patent.....	.....do.....
2134	1039	Mme. Anne Marie, known as Lucie Gautier, widow of Auguste Henri Eugene Vion, and Pierre Paul Jacques Vion.	Interest in a patent and a patent contract..	Sept. 8, 1954
2135	666	Lucien Armand Bollack.....	Patent.....	Aug. 18, 1954
2136	5166	Anna Kaldori, nee Brull...	\$960.00.....	.....do.....
2137	18669	Erich Wisiol.....	Insurance Policy.....	.....do.....
2138	5524	Simon Brill, Clara Baratz, Fanny Iosipovici; Mendel Brill, Betti Leibovici and Hava Segal; Bela Rosen, a/k/a Bela Rozen, Beta Brill, Ghisela Goldman and Tauba (Tony) Ehrenreich.	\$6,433.42 to each; interests in an estate and real property \$2,144.47 to each; interests in an estate and real property \$919.06 to each; interests in an estate and real property.....	.....do.....
2139	575	Marie Back, Gisela Schnell and Adolf Lauscha a/k/a Otto Lauscher, Jr.	\$192.55 to each.....do.....
2140	2741	Maria Schager.....	\$486.12; interest in securities.....	Aug. 23, 1954

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Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2141	1323	Monte Amiata Societa Anonima Mineraria.	\$22,857.81.....	Aug. 18, 1954
2142	1031	Ernst Zollinger.....	Patent.....	.....do.....
2143	15674	Maria E. Bamesberger, a/k/a Marie E. Bamesberger.	Insurance Policy.....	.....do.....
2144	666	Andre Valentin Baranoff...	Patents.....	Aug. 23, 1954
2145	4188	Maria Bayer.....	\$1,665.65.....	.....do.....
2146	9068, 9181, 9182, 3552	Frieda G. Zimmerman.....	\$5,041.87.....	.....do.....
2147		Vera Bounine (nee Hourontzeff).....	\$578.80; interest in copyrights.....	Sept. 7, 1954
2148	1501	Mitsuyo Miyai, Admx. of the Estate of Nisaku Miyai, dec.	\$2,464.08.....	Sept. 8, 1954
2149	1501	Lawrence R. Holt, Stat. Adm. of the Estate of Mine Nakamoto, dec.	\$404.00.....	.....do.....
2150	1501	Masaji Marumoto, Exec. of the Estate of Yae Mori, a/k/a Yaye Mori, dec.	\$2,524.67.....	.....do.....
2151	17982	Wodan Handelmaatschappij, N. V.	\$43,360.13.....	Aug. 30, 1954
2152	671	Jacob and Koenraad Suijk..	Patent; one half to each	Sept. 8, 1954
2153	1501	Kenichi Umemoto, Stat. Adm. of the Estate of Riyo Teraoka, dec.	\$19.19.....	Sept. 20, 1954
2154	1042	Manfred Bravman.....	\$9,471.90.....	Sept. 8, 1954
2155	1958	Rosa Osman, Hilde Israelsky and Harry Sawady.	\$1,382.06 to each.....	.....do.....
2156	5166	Ruza (a/k/a Rossi) Ferber, nee Fried.	\$960.00.....	.....do.....
2157	2198	Gina Grazzini Anton- giovanni and Octulio Salvatori.....	\$4,592.55 to each; interest in real prop- erty.....	Oct. 6, 1954
2158	511	Natalina Marchesi and Giuseppe, Marianna, Pietro and Domenico Marinelli.	\$442.50 to each.....	Sept. 8, 1954
2159	18190	Rev. Malcolm P. Fisher....	\$400.00.....	Sept. 20, 1954
2160	4125	Teresa Unger, Theresa Pimperl, Ida Erkinger and Theresa Pimperl as the appointed rep. of Johann Erkinger, a missing person.	\$54.94; \$18.31 to each.....	Sept. 8, 1954

Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2161	1501	Richard Isami Nishimura; Yone Morisaki (formerly known as Mrs. Tohei Nishimura).	\$208.52; \$104.26.....	Sept. 20, 1954
2162	2429	Walter Eugene Ripper.....	Patent.....	Oct. 6, 1954
2163	849	Leni Fromm and Marianne Simon.	\$1,388.80 to each.....	Sept. 23, 1954
2164	2666	Nicola, Maria, Rocco and Antonio LaPenta.	\$197.59 to each.....	.....do.....
2165	4324	Kurt G. Oppen and Jeanette Irma Wertheimer, nee Oppenheimer; Mrs. Marion Strauss, nee Isenberg, Ilse Jeanette Parsons, nee Stern and Rolf Dieter Oppenheimer.	\$877.90 to each; \$1,755.81 to each.....	Oct. 4, 1954
2166	17975, 17977	Heinz Weiss.....	\$294.41; securities.....	.....do.....
2167	529	Gisella Appoloni, Paulina Paoli and Luigo Dellaidotti, a/k/a Luigo and Luigi Delaidotti.	\$802.78 to each.....	.....do.....
2168	677	Alexis Guerbilsky.....	Patents.....	Nov. 9, 1954
2169	1437	Josefa Tenner, Franz and Alois Rossler.....	\$1,326.57 to each; interests in an estate.	Oct. 4, 1954
2170	500A-40	Aleksandra Schoenfeld.....	\$1,361.83; interest in a copyright.....	Oct. 6, 1954
2171	4848	Kamematsu Yamamoto.....	\$1,227.74.....	Oct. 4, 1954
2172	18434	Hisataro Terada, a/k/a Robert Hisataro Terada.	Interest in a debt.....	Oct. 5, 1954
2173	1501	American Red Cross, Hawaii Chap.	\$17.73.....	Oct. 6, 1954
2174	1501	Kalihi Educational Assoc..	\$1,315.54.....	Oct. 8, 1954
2175	293, 666	Herbert Manfred Freud, a/k/a Jean Frascch and Samuel Fratkin.	Patents; one half interest in a patent, One half interest in a patent.....	Oct. 6, 1954
2176	1501	Kosei Shiroma.....	\$29.52.....	.....do.....
2177	2528	Giovanni and Colomba Raggi, and Bianca Focacci	Interests in a trust under will.....	.....do.....
2178	18941	Erna and Julius Franklin Hart.	Bond.....	.....do.....
2179	4740	Helen and Florence Fromm, John Stephen Fromm, Exec. of the Estate of Mrs. John Stephen Fromm, dec., Katherine Diehm, Harold Seeger, Ilsa Scull and Harold Seeger, Exec. of Estate of Mrs. Lillian Seeger, dec.	\$67.25 to each.....do.....

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Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2180	1501	Lawrence R. Holt, Stat. Adm. of the Estate of Matsue Yamabe, dec.	\$19.57.....	Oct. 6, 1954
2181	19268	Sutro Bros, & Co.....	Bond.....	.....do.....
2182	235	Elvira Chiappini ved. Paoletti.	\$22.11; stock.....	Oct. 22, 1954
2183	1501	Lawrence R. Holt, Stat. Adm. of the Estate of Tokujiro Yamamoto, dec.	\$7.51.....	Oct. 6, 1954
2184	1501	Lawrence R. Holt, Stat. Adm. of the Estate of Hisa Nagafuji, dec.	\$20.95.....	.....do.....
2185	1501	Lawrence R. Holt, Stat. Adm. of the Estate of Shina Ikeda, dec.	\$7.32.....	.....do.....
2186	3715	Social Relief Society Inc.....	One fourth interest in a trust under will.....	Nov. 30, 1954
2187	1501	Lawrence R. Holt, Stat. Adm. of the Estate of Sho Masuhara, dec.	\$6.10.....	Oct. 8, 1954
2188	1501	Baizo Fujino.....	\$7.52.....	Oct. 22, 1954
2189	1501	Sophie Nakama.....	\$32.16.....	.....do.....
2190	18357	John and Opal M. Bernhardt	Real property.....	.....do.....
2191	4181	Emma Muller.....	\$907.78.....	Oct. 29, 1954
2192	849	Leni Fromm and Marianne Simon; Albert Adolph Stern, and Frances Madeleine Benjamin (nee Stern) a/k/a Frances Stern Benjamin; Harry Adler, Exec. of the Estate of Alexander Lichten, dec.	\$1,388.80 to each; \$2,777.60 to each; \$11,110.41.....	Oct. 22, 1954
2193	1501	Lawrence R. Holt, Stat. Adm. of the Estate of Tomeshichi Kurosu, dec.	\$217.62.....	Oct. 25, 1954
2194	1501	Akiko Kawano.....	\$17.71.....	.....do.....
2195	1501	Namiko Tanaka.....	\$3,913.76.....	.....do.....
2196	1501	Ritsu Muranaka, Temp. Admx. of the Estate of Nakaji Muranaka, dec.	\$37.40.....	.....do.....
2197	16635	Toshimitsu Shimabukuro....	\$1,008.87.....	.....do.....
2198	666	Societe PATHE-CINEMA, Anciens Etablissements Pathe-Freres.	Patents.....	Oct. 22, 1954
2199	6228	Gabriel Beke and Eva Federer Pangaro.	\$243.21 to each.....	Oct. 25, 1954
2200	17776	Robert Slayton.....	\$71,287.50.....	Oct. 29, 1954
2201	12975	Alice Kiyoko Murakami; Robert Eiichi Murakami; Mary Yayoko Murakami.	\$4,538.00; \$5,999.84; \$4,499.88.....	Oct. 25, 1954

Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2202	1501	David Tadao Mizuno, Exec. of the Estate of Jintaro Mizuno, dec.	\$8.28.....	Oct. 25, 1954
2203	3477, 11228	Elinor C. Struve.....	\$19,783.48; interest in a trust under will....	Nov. 15, 1954
2204	293	Pierre Ernest Mercier....	Patent.....	Oct. 29, 1954
2205	1501	Tamaye Kobayashi Kimura, Admx. of the Estate of Shigenori Kobayashi, dec.	\$201.97.....	Nov. 9, 1954
2206	201	Aeroquip Corp.....	Patent.....	Oct. 29, 1954
2207	1501	Kazuo Kishimoto.....	\$9.56.....	Nov. 1, 1954
2208	360, 2756	Victor Hohenlohe.....	\$4,850.92.....	.....do.....
2209	16588	Youzo Hoshino.....	Insurance Policy.....	Oct. 29, 1954
2210	9068, 17128	Dora Jane Isenberg Cole...	\$27,901.36; securities..	.....do.....
2211	5687	Robert Fritz, Otto Eduard and Elsa Olga Abegg and Margot Gladys Letellier-Abegg.	\$174.78 to each.....	Nov. 9, 1954
2212	1501	Tadao Sasaki.....	\$44.18.....	Nov. 17, 1954
2213	94, 201, 2246	Giosue Pinazza.....	Patents.....	Nov. 1, 1954
2214	1780	Filomena Lembo.....	\$211.58.....	Nov. 9, 1954
2215	293, 666	Forges de Strasbourg, S.A.	Patents.....	.....do.....
2216	293	Jean Jacques and Claude Alain Jean Languopin and Madame Josephine J.M.N.B.M. Marfaing, widow of Jacques Emile Jules Languopin.	Interests in a patent..	.....do.....
2217	3430	Georgette Marchand.....	\$33.25; interest in copyrights.....	.....do.....
2218	3430	Catherine Lambert-Gide....	\$1,191.01; interest in copyrights.....	.....do.....
2219	2822	Ugolino and Giuseppe della Gherardesca	\$28,402.89.....	.....do.....
2220	104, 17983	Alice Johanna, Nina Sophie Laura, Carolina Mary, Herbert Sigmund and Celia Daphne Berent, Ella Minna Jeanette and Jean Carol Michaelis, Meta Jeanette Minna and Barbara Durrell Pank, and Anne Durrell Woodward Fisher, nee Pank.	\$5,819.37; securities...	.....do.....
2221	17812	Mrs. Thea van Ameringen...	\$2,199.76.....	.....do.....
2222	6778	Kurt West, Exec. of the Estate of Rosa Westheimer, dec.	\$2,124.22.....	April 21, 1955

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Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2223	6434	Maria Conterio, a/k/a Maria Cavoretto Conterio and Orsola Cavoretto, a/k/a Orsolina Cavoretto.	Interest in an estate...	Feb. 25, 1955
2224	12453, 14028, 14102	Dr. Michael A. de Ruyter, Trustee, for The Christian Community (Die Christengemein- schaft).	\$4,565.00.....	Nov. 15, 1954
2225	16, 68, 141, 201	General Electric Co.....	Patents.....	Jan. 11, 1955
2226	849	Hertha Leyser Fetzler, Helmut Leyser and Renate Hildegard Leyser de Friedlander.	\$2,777.61 to each.....	Nov. 16, 1954
2227	313	Olear Patent Co. and Compagnie Generale pour l'Equipement Aeronautique.	Interest in patents.....	.....do.....
2228	664	A/S Gyro Skive Jernstoberi & Maskinfabrik and Diderik Overgaard Villemoes.	Interest in a patent; one half to each.....	.....do.....
2229	4192, 5269	Ilse Petrovic.....	\$24,930.93; stock.....	Nov. 17, 1954
2230	666	Entreprises Electriques Fribourgeoises.	Interest in a patent....	Nov. 16, 1954
2231	1501, 3351, 18490	Kanae Kobayashi; Tatsukichi Kobayashi; Hichiro Kobayashi.....	\$13,617.77; \$13,951.24; stock, bank account and real property; \$7,705.01; stock and real property.....	Nov. 30, 1954 Nov. 18, 1954
2232	666	Count Umberto G. Bellini delle Stelle, Duke d' Atri, Prince d'Aragon.	Patent.....	Nov. 17, 1954
2233	666	Andre Victor Leon Clement Debrie.	Patents.....	Nov. 17, 1954
2234	1028	Fabriques de Produits- Chimiques de Thann et de Mulhouse.	Patent.....	Dec. 16, 1954
2235	12251	Enrique Vincke.....	\$5,630.22; securities...	Dec. 9, 1954
2236	693	Bernard Firszt.....	\$430.69.....	Dec. 13, 1954
2237	1915	Joseph DeCorleto, a/k/a Giuseppe DeCorleto; Rose DeCorleto, a/k/a Rosa DeCorleto.	\$343.48; \$343.47.....	.....do.....
2238	667	Societe Anonyme Dognin....	Patents.....	Nov. 19, 1954
2239	255	Societe Produits Chimiques "LION NOIR" Produits d'Entretien "LION NOIR- ECLIPSE".	Trade-mark.....	Nov. 22, 1954

Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2240	2597	Ella Stumpf.....	\$376.54.....	Feb. 15, 1955
2241	14269	Mrs. Aurea Beatriz Downes, nee de Couto.	\$96.97.....	Dec. 8, 1954
2242	664	Kai Petersen.....	Patents.....	Dec. 9, 1954
2243	8614	Tilly Edinger.....	Securities.....	Nov. 24, 1954
2244	3028	Leslie Tetsuya Muranaka...	\$211.13.....	.....do.....
2245	293, 666	Saint Freres, S. A.....	Patents; and interest in a patent.....	.....do.....
2246	16119, 17861	Takeyo Inouye.....	\$4,313.14.....	.....do.....
2247	672	Jens M. Friis Soelberg....	Patent.....	Nov. 30, 1954
2248	2678	Kunigunde Leitner and Rosalia Ofner.	\$483.95 to each.....	Dec. 6, 1954
2249	691	Katharina Hertz; Julius and John Hermann Hertz.	\$174.59 \$87.29 to each.....	Nov. 30, 1954
2250	1501	Yuichi Nakano.....	\$43.15.....	.....do.....
2251	1841	Annette H. Frey, Exec. of the Estate of Isaac E. Hirsch, dec.	\$1,000.00.....	.....do.....
2252	293, 666, 720	Societe Sadir-Carpentier..	Patents.....	Dec. 6, 1954
2253	666	Establissemments Rotatiss, S.A.R.L.....	Patents; interest in a patent.....	Nov. 30, 1954
2254	3911	Dorothea Giese	\$822.59; interest in a trust under will.....	Dec. 6, 1954
2255	18053	Jacques Kahn.....	\$23,169.75.....	Dec. 9, 1954
2256	2610	Flora (Fioretta) Sezanne..	\$95.90.....	Jan. 11, 1955
2257	1/	Giulia and Adelina Lattanzio Basile.	\$2,370.55.....	Dec. 13, 1954
2258	18361	Max Neugass.....	Bonds.....	Mar. 24, 1955
2259	666	Louis Danblanc.....	Patents.....	Dec. 9, 1954
2260	10228, 12342	Esther Anna Lampe.....	\$506.09; interest in a debt.....	Dec. 16, 1954
2261	293	Societe Francaise des Regulateurs Universels ARCA.	Patent.....	Dec. 13, 1954
2262	4236, 5664	Bertha Margulies.....	\$2,240.77.....	Mar. 7, 1955
2263	13117	Ada M. Brogle.....	\$238.87.....	Dec. 16, 1954
2264	5218	Siegfried Kurzman and Cecile Else Spiegel, Exec. of the Estates of Ludwig and Paula Kurzman, dec.	\$130.38 to each.....	Dec. 22, 1954
2265	664	Claes Borge Aller.....	Patent.....	Dec. 16, 1954

See footnote at end of exhibit.

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Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2266	2096, 2097, 18593	Jean Sibelius.....	\$10,545.55; interest in a copyright agreement...	Dec. 13, 1954
2267	671	Willem Anthonius Boekelman and Alberthus Elfers.	Interest in a patent.....	Dec. 16, 1954
2268	2429, 201	Austria Tabakwerke A. G. vorm Oesterreichische Tabakregie.	Patents.....	Dec. 22, 1954
2269	1/	Rachel Paknadel, Rose Paknadel Epstein, Gussie Paknadel Ublin, Leon Parker, a/k/a Leon Paknadel and Anne Paknadel Stollar.	\$259.84.....	.....do.....
2270	4715	Anna Keller Neufeld.....	Interest in an estate....	.....do.....
2271	1501	Nihachi Ogawa.....	\$93.04.....	Dec. 28, 1954
2272	666	Nachoum Kagansky.....	Patent.....	.....do.....
2273	5647	Julianna Szedenik and guardian of Johanna and Frederick Szedenik, minors.	\$274.34.....	.....do.....
2274	1028	International Standard Elec. Corp.	Patents.....	.....do.....
2275	4236, 5664	Abraham Moshe (Maurice) Kriegler.	\$448.15.....	.....do.....
2276	4236, 5664	Betty Gottesman.....	\$448.15.....	.....do.....
2277	8610	Adolph Suehsdorf, Jr., Exec. & Trustee of the Will of Josephine Doctor Von Hohenlangen, dec.	\$1,107.13.....	.....do.....
2278	666	Raymond Ernest Henri Bornay.	Patent.....	Jan. 11, 1955
2279	666	Societe Anonyme Le Carbone Lorraine.	Patents.....	.....do.....
2280	671, 1187	Jean Joseph Martin Lambert Marchand.	Patents.....	Jan. 18, 1955
2281	7444	Satoru Moda.....	\$1,084.91.....	Mar. 10, 1955
2282	988	Elvira Mordino.....	\$490.00.....	Jan. 11, 1955
2283	1823	Guido and Vittorio Vivan and Nobile Vivan, nee Bortolotto, individually and as guardian of Olindo Vivan, a minor.	\$3,150.00; one third to each.....	.....do.....
2284	3430	Lucienne Parme and Renee Imbert (nee Parme).....	\$112.47 to each; interest in copyrights.....do.....
2285	293, 666	Raymond Guichard.....	Patents.....do.....

See footnote at end of exhibit.

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Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2286	3715	Richard Weill, Ruth Gerson and Gerda Linton.	Interest in a trust under will.....	Jan. 18, 1955
2287	2272, 2273	Eduino Di Censo; Vittorino Di Censo.....	\$328.44; \$328.54.....	Jan. 11, 1955
2288	6409	Ernestine Salomon, nee Latz.	\$665.91.....	Jan. 18, 1955
2289	974	Angela Gaglione Caserta..	\$179.70.....	.....do.....
2290	1501	Takeyoshi Okuda; Fudeko Ouchi.....	\$10.21; \$18.59.....	.....do.....
2291	13201	Adolf Gols.....	\$3,487.59.....	.....do.....
2292	1824	Yaeko (a/k/a Yaye) Motoshige.	\$552.50; stock.....	.....do.....
2293	7995	Philip C. Moenster.....	\$457.04.....	Feb. 15, 1955
2294	5530	Giobatta Carniglia and Letterina Carniglia Bisio.	Interest in an estate....	Jan. 24, 1955
2295	1501	Yokohama Specie Bank Club	\$691.93.....	.....do.....
2296	6028	Henry W. Seelig.....	\$10,025.00.....	.....do.....
2297	6711	Lizzy Baruch.....	\$700.00.....	Feb. 1, 1955
2298	201	John Lumholdt-Pedersen...	Patent.....	Jan. 24, 1955
2299	1501	Lawrence R. Holt, Stat. Adm. of the Estate of Akiyoshi Shigel, dec.	\$30.35.....	.....do.....
2300	201	Entnikotinisierungsanstalt August Falk G.m.b.H.	Patent.....	.....do.....
2301	1501	Honolulu Nihonjin Fujinkai.	\$1,079.88.....	Feb. 1, 1955
2302	1142	John J. Spizuoco, Jr., Anc. Exec. of the Estate of John (a/k/a Giovanni) Spizuoco, dec.	\$1,437.65.....	.....do.....
2303	671	N.V. Transorma Bundel-Sluit-Machine "B.S.M."	Patent.....	.....do.....
2304	10643	Austria Tabakwerke A. G. vorm Osterreichische Tabakregie.	\$2,297.04.....	.....do.....
2305	1/	Edmondo Mario Gavello, Maxine Edna Wydo, Edna Mae Ghelardi and Thomas Harold McLaughlin, Jr.	\$41.66 to each.....	.....do.....
2306	671	Johann Friedrich Kohnke..	Patents.....	.....do.....
2307	15923	Jane Nakano Fultz.....	\$606.57.....	Feb. 2, 1955
2308	10926	Eberhard Ludwig Noltenius and Henrietta Margaret Hoogendoorn.	\$2,168.00 to each; securities.....	Feb. 1, 1955
2309	291	Lambertus te Strake.....	Patent.....do.....

See footnote at end of exhibit.

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Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2310	15509	Charles J. Stefan, Sr....	\$110.55.....	Feb. 28, 1955
2311	4830	Dorothea S. Brock.....	\$12,769.64.....	Feb. 2, 1955
2312	291	Organon, Inc.....	Patents.....	.....do.....
2313	17901	Dr. Franz Heinrich Mautner.	\$1,134.28.....	Apr. 29, 1955
2314	10813	Sadako Arima a/k/a Sadako Watahara Arima.	\$4,880.74; real property.	Feb. 25, 1955
2315	1888	Battista Barbatì.....	\$99.00.....	Feb. 1, 1955
2316	17742	Arthur Krakowski.....	\$353.19.....	Mar. 7, 1955
2317	17035	Richard Elchinger.....	\$169.18.....	Mar. 10, 1955
2318	15982	Mrs. Anna M. Norris.....	\$640.57.....	Mar. 7, 1955
2319	450	Charles Minners.....	\$174.45.....	Feb. 15, 1955
2320	16229, 16962	Ernestine C. Kochan.....	\$776.07.....	Feb. 25, 1955
2321	16607	Joseph Schmid.....	\$489.90.....	Feb. 10, 1955
2322	2368	Katharine Lammel and Michael Mikulitsch.	\$438.09 to each.....	Mar. 7, 1955
2323	5524	David Brill.....	\$1,119.06; interest in an estate.....	Feb. 11, 1955
2324	1005	Mary Baer.....	\$976.65.....	Mar. 7, 1955
2325	16187	Inge Ruth and Dr. Gustave Rosenburg.	\$245.00 to each; securities.....	May 4, 1955
2326	1501	Hananojo Moriwaki.....	\$7.52.....	Feb. 11, 1955
2327	1028	Jacques Hippolyte Couelle	Patent.....	Feb. 25, 1955
2328	1501	Lawrence R. Holt, Stat. Adm. of the Estate of M. Kagawa, dec.	\$324.74.....	.....do.....
2329	291	Marius Leonard Van Oversem.	Patent.....	Mar. 7, 1955
2330	3011	Theresia Unger.....	\$314.21.....	.....do.....
2331	1363	Frances Paino DiPietro...	\$1,653.29.....	Feb. 25, 1955
2333	17906	Dr. J. George Bursch.....	\$1,320.00; stock.....	Feb. 25, 1955
2334	294	Fredrik Juell.....	Patent.....	Apr. 8, 1955
2335	4236, 5664	David Margulies.....	\$2,240.77.....	Mar. 7, 1955
2336	2183	Antonio Castorino, Giovanna Castorino, Caterina Castorino, Franco Castorino, Maria Venuti (nee Castorino).....	\$400.52; \$400.53; \$938.22; \$400.52;	.....do.....
2337	1632	Gaetano Nanni and Dimova Ivanova Maria, a/k/a Mrs. Mary Nanni.	\$1,602.09.....	.....do.....
2339	6882	Pete Mini and Theodora Mini Lenzi.	\$3,867.84.....	.....do.....
2340	1329	Pete Mini and Theodora Mini Lenzi.	\$509.97 to each.....	.....do.....
2341	539, 3950	Richard Best Pencil Co., Inc.	Trade-mark.....do.....
		Johanna Alma Elkan, a/k/a Alma Elkan and Alma Johanna Elkan.	\$341.97.....do.....

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Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2342	1387	Else Gross, Joaquin Michel.....	\$11,534.37; interest in a promissory note \$6,920.62; interest in a promissory note.....	May 4, 1955
2343	16178	Kazuko Imagawa.....	\$29.90; stock.....	Mar. 16, 1955
2344	13469	Albert von Borsig.....	Securities.....	Mar. 31, 1955
2345	17148	Otto Bockemuhl.....	\$437.99.....	Mar. 16, 1955
2346	849	Gert Guthmann Leyser, (a/k/a Gerard and Gerardo Guthmann Leyser) and Guenther Heinz Guthmann Leyser.	\$1,388.81 to each.....	.....do.....
2347	1269	Antonio, Rosina, Marincola, Mario, Carminé Ferdinando, and Aniello D'Onofrio and Maria D'Onofrio Monica.	Interest in a trust under will.....	.....do.....
2348	3430	Edith Berr-Mognard and Anne Marie Vidal-Engaurran.	\$1,166.72; interest in copyrights.....	.....do.....
2350	8145	Kintoki Urata.....	\$510.30.....	.....do.....
2351	17906	Ernest Stern.....	\$899.81; stock.....	Mar. 31, 1955
2352	1501	George Tokusuke Hirashima, Kazuo Bert Hirashima, Walter Minoru Hirashima, Robert Takeo Hirashima and Hiroto Hirashima and Hisayo Fukuda.	\$74.90 to each.....	Mar. 24, 1955
2353	17181, 17182	Emilie Marie Charlotte Tama.....	Interest in insurance policies.....	.....do.....
2354	1620	Siegfried Liehr, Oswald Liehr, individually and as guardian of Friedrich Bohland, a minor, Rupert Schondorfer and Irene Eder.	\$3,117.74.....	Mar. 31, 1955
2355	15090	Elsie Viebrock.....	\$546.00.....	.....do.....
2356	666	Societe Anonyme des Ateliers d'Aviation Louis Breguet.	Patents.....	Mar. 24, 1955
2357	855	Helen Stupar (nee Sedlak) a/k/a Ilona Toth.	\$413.23.....	Mar. 31, 1955
2359	17025	Marie R., Gottlieb W. and John Schulz and Mrs. Frederick Weber.	\$200.51 to each.....	Apr. 8, 1955
2360	1501	John V. Cockett, Adm. of the Estate of Kanichi Yamada, dec.	\$104.62.....	Mar. 31, 1955
2361	7342	Kurt Jacob.....	\$947.18.....	Apr. 8, 1955

Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2362	11237, 11278, 11279	Kieko Kanzaki, (Mrs. Nishiie).	\$2,109.66.....	Apr. 8, 1955
2363	1501	Mine Asato, Ikuko Asato, Michiko Asato.....	\$3.28; \$1.27; \$11.02.....	.....do.....
2364	3911	Barbara Giese.....	\$822.59; interest in a trust under will.....	Apr. 14, 1955
2365	293, 666	Jean Fieux, Schneider & Cie.....	Interest in patents; Interest in a patent....	Apr. 29, 1955
2366	18528	Harue Hamada.....	\$100.00.....	Apr. 21, 1955
2367	2248	Dr. Otto Burchard.....	\$2,124.41.....	Apr. 29, 1955
2369	666	Andre Schweisch.....	Patent.....	.....do.....
2370	6778	Liselotte Callewaert, Rene Salo Ackerman, Yvonne Carry Mittel.....	\$1,062.11; \$531.06; \$531.05.....	Apr. 21, 1955
2371	1191	Roberto Gordigliani.....	\$587.26; interest in a trust under will.....	Apr. 20, 1955
2372	2741	Heribert Mutter.....	\$772.24; securities.....	.....do.....
2373	12140	Henriette Klughardt Knepper (a/k/a Jette Klughardt).	\$119.59.....	Apr. 21, 1955
2374	5266	Tsunao Yoshikawa.....	Personal property.....	.....do.....
2375	1894	Dora Morelli Montalto di Fragno and Alda and Dario Morelli.	\$634.08 to each.....	Apr. 29, 1955
2376	3311	Margarethe Balaton.....	\$242.84.....	.....do.....
2377	7834	Geza Boross Berger, Mrs. Rezzo Schats and Mrs. Amalia Khogler- Kugler.	\$367.50 to each.....	.....do.....
2378	291	N.V.W.A. Scholten's Aardappelmeelfabrieken.	Patent.....	.....do.....
2379	8917	Robert Tokuji Fujita.....	\$1,764.86.....	.....do.....
2380	2246	Augusto Cesare, Adriana Costanza, Gabriella Giuseppina and Anna Maria De Benedetti, the latter individually and as guardian of Maria Paola and Daniela Ada De Benedetti.	Interests in a patent.....	May 4, 1955
2381	4855	Margaretta Sbarra (a/k/a Margarita, Margareta Sbarra and Sbarra Margherita Pelfini).	Interest in an estate.....	Apr. 29, 1955
2382	654, 1411, 2348	Beatrice Gausebeck.....	\$9,988.81; interest in mineral and oil rights...	May 4, 1955
2383	17674	Edoardo Ricci del Riccio..	Securities.....	May 19, 1955

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Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2384	671	Mrs. Johanna Catharina Barkeij (Barkey).	Patent.....	May 4, 1955
2385	484	Annetta Brunetti Risafi, a/k/a Annetta Brunetti Grisafi.	\$82.29.....	.....do.....
2386	293, 666	Compagnie de Pont-a-Mousson.	Patents.....	May 9, 1955
2387	671	N.V.W.A. Scholten's Chemische Fabrieken.	Patents.....	.....do.....
2388	104	Wally Stumpf Wittler in d'Auliso Carigliota.	\$378.65.....	.....do.....
2389	18719	Ima H. Baensch.....	\$2,448.93.....	.....do.....
2390	2418	Maddalena and Irene De Giambattista.	\$1,190.97 to each; stock..	.....do.....
2391	666	Andre Huet.....	Patents.....	May 26, 1955
2392	2360	Isotta, Daria, Maria Cristina, Domenico and Angelica Frezza.	Interests in trust under will.....	May 12, 1955
2393	6074	Grete Bartsch.....	Copyrights.....	June 8, 1955
2394	5160	William H. Frawley, Trustee u/w of Francis X. Orthen, dec.	\$837.55.....	May 6, 1955
2395	4915	Kurt Alfred Jacobi, Charlotte Elisabeth Wittelshoefter, nee Hirsch and Felix Edward Hirsch.	\$4,419.00; \$2,209.50 to each.....	May 9, 1955
2396	671	N.V. Exploitatie Maatschappij voor Chemische Uitvindingen "E.C.U."	Patent.....	May 20, 1955
2397	4830	Charlotte M. E. Stadelmann	\$12,769.64.....	May 17, 1955
2398	12805	Chieko (Honda) Ingham.....	\$2,119.10.....	May 20, 1955
2399	16751	James M. a/k/a J. Masami and Masami Tsubota.	\$1,658.04.....	.....do.....
2400	8152, 18172	Helene A. Brunke.....	\$2,983.84.....	.....do.....
2401	16069	Walter T. Merker.....	\$482.53.....	May 19, 1955
2402	9134	Ruth Biermann.....	\$2,118.75.....	May 20, 1955
2403	8046, 10276	Erika Erna Meyer and Kate Winkler; Henry, Rosa and Ida Gutmann, Meta Berg, Carrie Marx and Moritz Engel.	\$1,731.58 to each; \$328.70 to each.....	.....do.....
2404	5544	Alfred Kauffmann.....	\$4,014.07.....	June 15, 1955
2405	3177	Antoine Hyacinthe Cagninacci.	\$374.94; patent contract..	May 20, 1955
2406	18053	Rene Jean Moreuil.....	\$920.60.....	.....do.....
2407	666	Societe des Fabrications Unicum.	Patent.....	.....do.....
2408	832	Dr. Hedwig Moosbrugger, nee Intichar.....	\$300.00; interest in a trust under will.....do.....

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Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2409	1816	Ferdinand Gruenwald.....	\$70.71.....	June 9, 1955
2410	17181, 17182	Manuel Tama.....	Interest in insurance policies.....	May 27, 1955
2411	3244	Mary Claire de la M. Hansen.....	\$16,730.99; interest in a trust under will.....	June 9, 1955
2412	4127	Ida Swetlowitz, Exec. of the Estate of Bessie Greenberg, dec. and Louis Moldawsky.	\$1,567.21 to each.....	May 27, 1955
2413	7251	Charlotte Constance Lord Bolten.	\$8,331.98.....	May 26, 1955
2414	1501	Women's Society of Makiki Christian Church; Torch Bearer, an affiliated org. of Makiki Christian Church; Japanese Old Men's Home; American Red Cross; Robert R. and Ayako Shimakura, guardians of Henry Shimakura, minor; Calvin Wakai; Nobuko N. Tanaka; Atsuko O. Melville; Julia H. Motoyama; Risato Yoshida.	\$97.35.....	June 8, 1955
2415	5151	Cornelia Lingenberg, Doris Schwaab, nee Lingenberg and Margaret Bertha Jansen, nee Lingenberg.	Interest in an estate.....	.....do.....
2416	291, 671	Dr. Hendrik Arend Hidde Nijland.	Patents.....	June 9, 1955
2417	15471	Helene Beck.....	\$141.04.....	June 8, 1955
2418	7382	Sophie Oppenheimer.....	Interest in a trust under will.....	.....do.....
2419	16703	Dora Lieder, a/k/a Dora Sudbrink.	\$183.83; stock.....	.....do.....
2420	1941, 2092	Janis Zalcmans and Public Administrator of New York County, Adm. of the Estate of Karlis Jansons, dec.	\$199,234.83 to each.....	June 15, 1955
2421	201, 1552, 2040	Giovanni B. Crespi.....	Patents; interest in an invention.....	June 8, 1955
2422	5218 and 1/	Mrs. Regina Amson, Marcel and Paul Kahn.....	\$948.59; \$474.29 to each.....	June 9, 1955
2423	235	Giuseppe and Emanuele Micheli and Maria Grazia, a/k/a Graziella, Vallone, nee Micheli.	\$114.97; stock.....	June 8, 1955

See footnote at end of exhibit.

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Exhibit D - Continued

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
2424	6215	Emil Oettinger and Robert Goldschmidt.	\$137.91 to each; interest in a mortgage participation certificate.....	June 9, 1955
2425	16318	Martha M. Koehn	\$1,991.06; stock.....	.....do.....
2426	671	Metra N. V.....	Patent.....	.....do.....
2427	18190	Kay M. Behdjou, a/k/a Kazeme Behdjou.	\$458.00.....	.....do.....
2428	1501	Lawrence R. Holt, Stat. Adm. of the Estate of Toraichi Tanioka, dec.	\$21.43.....	June 13, 1955
2430	6459	Henny (a/k/a Henrietta) Merker.	\$1,236.09.....	June 15, 1955
2431	201	Carry Barne'..	Patents.....	June 17, 1955
2432	14367	Mrs. Hedwig Wertheimer....	\$9.22; securities.....	.....do.....
2433	5344	Maria Percich Cantu.....	\$5,451.11; stock.....	.....do.....
2434	13893	Susumu Ikemiya.....	\$862.00.....	June 23, 1955
2435	933, 1047, 3554, 18594	Josef Auerbach.....	Motion picture film; copyrights.....	.....do.....
2436	7708	Josef Schloegl.....	\$942.10; interest in a mortgage participation certificate.....	.....do.....
2437	14708	John Carl Gosch.....	\$328.20.....	.....do.....
2438	14458	Henry J. Thielemann.....	\$1,153.50.....	.....do.....
2439	1028	Charles Mallerin.....	\$4,706.57.....	.....do.....
2440	16036	Richard B. Frenkel.....	\$50.00.....	June 29, 1955
2441	16696	Mrs. Aiko Miyanaga Sone...	\$42.91.....	.....do.....
2442	201	Walter Steinkellner.....	Patent.....	.....do.....
2443	3130	Clara Buchheim.....	\$226.25.....	.....do.....
2444	1190	Antonio, Monica and Ignazio Cantagallo and Maria Reppi.	\$61.69 to each.....	June 30, 1955
2445	664	Brodrene Gram A/S.....	Patent.....	.....do.....
2446	4251	Domenico Aicardi.....	\$14,961.72; interest in a patent contract.....	June 29, 1955
2447	1501, 9658	Kazumi Kinoshita.....	\$586.37.....	June 30, 1955
2450	3878	Franziska (Franciska) Kvorka Pogl.....	\$125.00; interest in a claim.....	.....do.....
2452	6487	Leopold Bissinger.....	\$4,226.95.....	.....do.....

EXHIBIT D - CONTINUED

LIST OF RETURN ORDERS ISSUED BY THE OFFICE OF ALIEN PROPERTY
PURSUANT TO SEC. 9(a) OF THE TRADING WITH THE ENEMY ACT

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
9(a)-1	11527, 13283	Ernst Victor Goller.....	\$6,700.16.....	Feb. 11, 1953
-2	399, 400	Victor Fruehauf.....	\$1,335.54; bonds and interest in a business enterprise.....	Mar. 24, 1953
-3	6597	William Kohlmann.....	\$2,051.25.....	Mar. 5, 1953
-4	12816	Mrs. Doris E. Greif.....	\$375.45.....	Mar. 24, 1953
-5	6502	Michael Gehron.....	\$1,085.00.....	Apr. 16, 1953
-7	15207	Helene Bock.....	\$4,377.48; interest in debts.....	.....do.....
-8	9224, 10114, 12882	Kimiko Sugamura, Exec. of Will of Yoshi Sugamura, dec.	\$40,436.41.....	May 14, 1953
-9	4818	Holland American Merchants Corp.	\$61,024.05.....	June 5, 1953
-10	7788	Tsurumatsu Obita.....	\$38,314.84.....	Aug. 3, 1953
-11	17996	Moritz Eberhardi.....	\$46,411.78.....	July 29, 1953
-12	8166, 9068	Herman Charles Ross, Exec. of the Estate of Dr. Emmy Ross Brockelmann, dec....	\$1,365.08 less four % per annum for two years; stock.....	June 7, 1954
-13	1501	Hanako Yamada.....	\$333.90.....	Oct. 21, 1953
-14	1153, 2342	Marjorie Dyer Gardner and Carlton Earle Miller; William C. Heppenheim, Jr.; Jay Robinson Duff, Jr. and Cynthia Vansittary Whitman.	\$30,069.59 to each; \$15,034.79; \$7,517.40 to each.....	Feb. 3, 1954
-15	13323	Hawaii Ishizuchi Jinja....	Real and personal property	Jan. 7, 1954
-16	7752 11890	Munenobu and Taka Uomoto..	\$16,961.49.....	Mar. 1, 1954
-17	12904	Allgemeine Anthroposophische Gesellschaft.	\$2,607.89.....	Feb. 24, 1954
-18	3769, 4614	Daijingu Temple of Hawaii.	\$45,179.29.....	Feb. 18, 1954
-19	18941	Carl Deichmann.....	Bond.....	Mar. 1, 1954
-20	197	Annette B. Schlubach.....	\$38,236.37.....	Apr. 1, 1954
-21	8879	Howard Mall and Emma Faidley, Exec. and Exec'x. under the will of Louise E. Mall, dec.	\$3,000.00.....	Apr. 7, 1954
-22	4943	Ataka & Co., Ltd.....	\$74,000.00.....	July 9, 1954
-23	11055	Auguste Kuster.....	\$1,111.83.....	May 24, 1954
-24	500A-129	Johanna Agnes Hamilton and Agnes Johanna Lucy Rook, heirs of Louis Hamilton, dec.	\$804.75; copyrights.....	June 21, 1954

Exhibit D - Concluded

Return order No.	Related vesting order No.	Successful claimant	Summary description of property returned	Date executed
-25	4943	Maurice J. Kluger.....	\$65,714.03.....	July 9, 1954
-26	11070, 11088, 11733	Masako Takano.....	\$5,219.36; savings and loan account and bonds...	July 21, 1954
-27	500A-18, 500A-105	Dr. Richard Courant.....	\$10,022.71.....	July 20, 1954
-28	6966	Dr. Fred H. Klopstock and William C. Childs, Co- trustees of the Martin E. Walston Trust.	\$17,358.26.....	Aug. 18, 1954
-29	500A-86	Ernst August Schlomann and Elizabeth Charlotte Schlomann Loeb, succes- sors in interest to Alfred Friedrich Schlomann, dec.	\$6,821.25; copyrights.....	Aug. 23, 1954
-30	3408, 12007	Chizu Mitamura.....	\$36,006.63.....	Oct. 29, 1954
-31	500A-31	Max Born.....	\$2,389.25; copyrights.....	Oct. 4, 1954
-32	1567	Mrs. Olga Nossen.....	\$866.35.....	Nov. 19, 1954
-33	16565	Paul F. Tunke.....	\$496.18.....	Dec. 13, 1954
-34	16892	Bruno R. Steyer.....	Stock.....	Dec. 28, 1954
-35	13218	Hilo Daijingu.....	Real and personal property	Jan. 11, 1955
-36	7777	Frank Nobukichi Horii, Frank Masao Terakami and Frank Masaharu Terakami.	\$21,606.55; stock; \$16,204.91 to each; stock	June 2, 1955
-37	14467, 19205	Anna Caroline Kluge.....	\$31,646.58.....	Mar. 24, 1955
-38	P-405	Magdalena Muller, Exec. of the Will of Karl Friedrich Muller, dec.	\$4,504.14.....	Mar. 18, 1955
-40	469	Yorisuke Matsudo.....	\$1,608.26; stock.....	Apr. 20, 1955
-42	4501, 5085, 8950, 9291	Rinichi Akinaka.....	Securities.....	June 30, 1955
-43	18352	Alexis Goldenweiser, Anc. Adm. of the Estate of Helene Hirschfeld, dec.	\$15,164.00.....	Apr. 29, 1955
-44	15325	Otto A. and Olga Bestehorn	\$1,209.32.....	May 16, 1955
-47	12992	Louise Noellmueller.....	\$1,197.00.....	June 8, 1955
-49	1886	Carl and Gertrud Overhage.	\$18,214.60.....	June 9, 1955
-50	1137	A. Alfred Keidanz.....	\$11,774.47.....	June 15, 1955
-52	1501	Yoshitane Ohba.....	\$59.01.....	June 30, 1955
-53	7786, 9771, 11755	Kimiko Sugamura and Pentson Yoshio Sugamura.	\$1,833.95 to each.....	.....do.....

1/ Property returned under this order was voluntarily turned over to the Office of Alien Property but no vesting order was executed.

EXHIBIT E

LEGISLATION RELATING TO THE OFFICE OF ALIEN PROPERTY, JULY 1, 1954, TO JUNE 30, 1955

(Public Law 626-83d Congress)

(Chapter 830-2d session)

(S.2420)

AN ACT

To amend section 32 of the Trading With the Enemy Act, as amended.

(68 Stat. 767) Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 32 (50 U.S.C. App. 32) of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby further amended by adding at the end thereof the following subsection:

"(h) The President may designate one or more organizations as successors in interest to deceased persons who, if alive, would be eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a)(2) thereof. An organization so designated shall be deemed a successor in interest by operation of law for the purpose of subsection (a)(1) hereof. Return may be made, to an organization so designated, (a) before the expiration of two years from the vesting of the property or interest in question, if the President or such officer or agency as he may designate determines from all relevant facts of which he is then advised that there is no basis for reasonable doubt that the former owner is dead and is survived by no person eligible under section 32 to claim as successor in interest (68 Stat. 768) by inheritance, devise, or bequest; and (b) after the expiration of such time, if no claim for the return of the property or interest is pending. Total returns pursuant to this subsection shall not exceed \$3,000,000.

"No return may be made to an organization so designated unless it files notice of claim before the expiration of one year from the effective date of this Act and unless it gives firm and responsible assurance approved by the President that (i) the property or interest returned to it or the proceeds of any such property or interest will be used on the basis of need in the rehabilitation and settlement of persons in the United States who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and (D) of subsection (a)(2) hereof; (ii) it will transfer, at any time within two years from the time that return is made, such property or interest or the equivalent value thereof to any person whom the President or such officer or agency shall determine to be eligible under Section 32 to claim as owner or successor in interest to such owner, by inheritance, devise, or bequest; (iii) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the property or interest returned to it or the proceeds of any such property or interest) and permit such examination of its books as the President or such officer or agency may from time to time require; and (iv) will not use such property or interest or the proceeds of such property or interest for legal fees, salaries or any other administrative expenses connected with the filing of claims for or the recovery of such property or interest.

"The filing of notice of claim by an organization so designated shall not bar the payment of debt claims under section 34 of this Act. (50 U.S.C. App. 34)

"As used in this subsection, 'organization' means only a nonprofit charitable corporation incorporated on or before January 1, 1950, under the laws of any State of the United States or of the District of Columbia with the power to sue and be sued."

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Exhibit E - Concluded

Sec. 2. The first sentence of section 33 (50 U.S.C. App. 33) of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby amended by striking out the period at the end of such sentence, and inserting in lieu thereof a semicolon and the following: "except that return may be made to successor organizations designated pursuant to section 32 (h) hereof if notice of claim is filed before the expiration of one year from the effective date of this Act."

Approved August 23, 1954.

EXECUTIVE ORDER 10587

ADMINISTRATION OF SECTION 32 (h) OF THE TRADING WITH THE ENEMY ACT

By virtue of the authority vested in me by the Trading with the Enemy Act, as amended (50 U.S.C. App. 1 et seq.), and by section 301 of title 3 of the United States Code (65 Stat. 713), and as President of the United States, it is ordered as follows:

SECTION 1. The Jewish Restitution Successor Organization, a charitable membership organization incorporated under the laws of the State of New York, is hereby designated as successor in interest to deceased persons in accordance with and for the purposes of subsection (h) of section 32 of the Trading with the Enemy Act, as added by Public Law 626, approved August 23, 1954 (68 Stat. 767).

SEC. 2. Exclusive of the function vested in the President by the first sentence of the said subsection (h) of section 32 of the Trading with the Enemy Act, the Attorney General shall carry out the functions provided for in that subsection, including the powers, duties, authority and discretion thereby vested in or conferred upon the President; and functions under the said subsection are hereby delegated to the Attorney General, and the Attorney General is hereby designated thereunder, accordingly.

SEC. 3. The Attorney General may delegate to any officer and agency of the Department of Justice such of his functions under this order as he may deem necessary.

(Signed) Dwight D. Eisenhower
Dwight D. Eisenhower

The White House
January 13, 1955.

(F. R. Doc. 55-409; Filed, Jan. 13, 1955; 3.52 p.m.)
(20 F. R. 361, January 15, 1955))

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EXHIBIT F

INFORMATION REQUIRED BY PUBLIC LAW 859 1/

Claims Filed as of June 30, 1955 2/

Claim No.	Date of filing	Claimant's name	Enemy nationality	Book valuation
37266	7-13-48	Julia H. Motoyama.....	Japanese.....	\$ 13.28
44857	4-27-49	Augusta Bruggemann.....	German.....	2,500.00
45906	8-29-49	Helen von Borstel.....	...do.....	548.00
58076	7-17-50	Henry J. Thielmann.....	...do.....	1,031.00
58829	2-1-51	Carl Philip Gensheimer.....	...do.....	37,182.34
58993	3-19-51	Robert T. Fujita.....	Japanese.....	1,722.00
59408	7-6-51	Noboru Hanada.....	...do.....	500.00
59573	8-23-51	Kimiyo Sasada.....	...do.....	149.00
59788	10-15-51	John Carl Gosch.....	German.....	280.00
59828	11-2-51	James M. Tsubota.....	Japanese.....	1,597.00
60584	4-21-52	Ima H. Baensch.....	German.....	2,448.93
60969	8-14-52	Kimiko Koike.....	Japanese.....	888.00
61527	2-13-53	Martha M. Koehn.....	German.....	1,829.00
62514	2-1-54	Kazumi Kinoshita.....	Japanese.....	586.37
62615	4-9-54	Margaret B. Jansen.....	German.....	1,880.00
62755	6-16-54	Helen von Brockdorff, Guardian...	...do.....	57,850.50
62840	7-26-54	Takao Nakayama.....	Japanese.....	1,215.00
62867	8-5-54	Kathryn M. Hirotsune.....	...do.....	20,599.00
62878	8-9-54	Jitsuo Nakano.....	...do.....	583.50
63148	11-10-54	Marion C. Monden.....	German.....	2,445.12
63373	1-12-55	Elise S. von Johnson.....	...do.....	428.50
63659	1-28-55	Charlotte Stadelmann.....	...do.....	6,765.00
64034	2-1-55	Toichi Eki, Guardian of Ayako Eki	Japanese.....	539.00
		Subtotal.....		143,580.54
		Total as of June 30, 1954.....		7,732,604.18
		Total as of June 30, 1955.....		7,876,184.72

1/ 81st Cong., 2d sess., approved Sept. 29, 1950; 64 Stat. 1080, U. S. C. App. sec. 32. Public Law 378, 82d Cong., 2d sess., approved June 6, 1952 (66 Stat. 129, 50 U. S. C. App. sec. 32), amended Public Law 859 by raising the value of returnable property in total under Public Law 859 from \$5,000,000 to \$9,000,000 and by defining the term "value" as the value, at the time of vesting, of the property entered on the books of the Office of Alien Property.

2/ Claims filed as of June 30, 1955 as listed above, are in addition to those listed in the Annual Reports, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1951, Appendix Exhibit G, 164-166, fiscal year ended June 30, 1952, Appendix Exhibit G, p. 119, fiscal year ended June 30, 1953, Appendix, Exhibit F, p. 148, and fiscal year ended June 30, 1954, Appendix, Exhibit F, p. 107.

Exhibit F - Concluded

Claims Allowed as of June 30, 1955 3/

Claim No.	Return order	Date executed	Claimant's name	Enemy nationality	Book valuation
34947/8	2106	7-14-54	Sumiko Nishi.....	Japanese.....	\$ 11,270.00
59400	2143	8-18-54	Maria E. Bamesberger...	German.....	307.00
48088	2146	8-23-54	Frieda G. Zimmermann...	...do.....	6,767.00
62339	2172	10-5-54	Hisataro Terada.....	Japanese.....	15,097.32
40316/7	2195	10-25-54	Namiko Tanaka.....	...do.....	3,913.76
58100, 58101, 58888	2201	10-25-54	Alice K., Robert E. and Mary Y. Murakami.	...do.....	15,126.00
40775	2203	11-15-54	Elinor C. Struve.....	German.....	42,283.80
43070	2231	11-30-54	Tatsu Kichi Kobayashi..	Japanese.....	10,000.00
61400	2231	11-30-54	Hichiro Kobayashi.....	...do.....	23,446.00
43930	2260	12-16-54	Esther Anna Lampe.....	German.....	821.00
59186	2263	12-16-54	Ada M. Brogle.....	...do.....	238.87
57951	2281	3-10-55	Satoru Noda.....	Japanese.....	1,084.91
45053	2292	1-18-55	Yaeko Motoshige.....	...do.....	1,625.36
37246	2299	1-24-55	Mrs. Fusae Takino.....	...do.....	7.59
37385	2308	2-1-55	Clementine S. Noltenius	German.....	8,783.00
58361	2311	2-2-55	Dorothea S. Brock.....	...do.....	6,765.00
60739	2343	3-16-55	Kazuko Imagawa.....	Japanese.....	115.00
60084	2366	4-21-55	Harue Hamada.....	...do.....	100.00
58993	2379	4-29-55	Robert T. Fujita.....	...do.....	1,722.00
36643, 42450	2382	5-4-55	Beatrice Gausebeck.....	German.....	3,606.70
60584	2389	5-9-55	Ima H. Baensch.....	...do.....	2,448.93
63659	2397	5-17-55	Charlotte Stadelmann...	...do.....	6,765.00
59828	2399	5-20-55	James M. Tsubota.....	Japanese.....	1,597.00
42484	2413	5-26-55	Charlotte C. L. Bolten.	German.....	8,200.00
37266	2414	6-8-55	Julia H. Motoyama.....	Japanese.....	13.28
62615	2415	6-8-55	Margaret B. Jansen.....	German.....	1,880.00
61527	2425	6-9-55	Martha M. Koehn.....	...do.....	1,829.00
59788	2437	6-23-55	John Carl Gosch.....	...do.....	280.00
58076	2438	6-23-55	Henry J. Thielemann....	...do.....	1,031.00
62514	2447	6-30-55	Kazumi Kinoshita.....	Japanese.....	586.37
Subtotal.....					177,710.89
Total as of June 30, 1954.....					3,455,508.36
Total as of June 30, 1955.....					3,633,219.25

3/ The claims allowed listed above are those in which return orders were executed on or prior to June 30, 1955, although in some instances the property was not actually returned to the claimant until after that date. They are in addition to those listed in the Annual reports, Office of Alien Property, Department of Justice, fiscal year ended June 30, 1951, Appendix, Exhibit G, p. 107, fiscal year ended June 30, 1952, Appendix, Exhibit G, pp. 119-120, fiscal year ended June 30, 1953, Appendix, Exhibit F, pp. 149-150 and fiscal year ended June 30, 1954, Appendix, Exhibit F, pp. 107-108.

NOTE ON LIST OF EMPLOYEES

In the interest of economy, approved by the Joint Committee on Printing of the Congress, the list of employees of the Office of Alien Property is omitted from this printed report. The list has been prepared and forwarded to the President of the United States, the President of the Senate and the Speaker of the House of Representatives. It may be inspected at the Administrative Section of the Office of Alien Property, Department of Justice, Washington, D. C.

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