

UNITED STATES SENATE

COPY

[Handwritten signature]
December 10, 1961.

Mr. Seymour J. Rubin
1832 Jefferson Place, N.W.
Washington 6, D.C.

Dear Mr. Rubin:

On November 2nd you requested that Senator Gillette write to the Department of State with reference to the use of proceeds from German assets in Italy for the work of the International Refugee Organization.

I am forwarding herewith a copy of the letter which Senator Gillette addressed to Secretary Webb on Nov. 26., along with a copy of the Department's response, signed by Acting Secretary of State Brown, dated December 4th. Would you be so kind as to return the carbon copy of Senator Gillette's letter since it is the only copy we have for our files. You are welcome, of course, to retain the carbon copy of the letter from the State Department.

I am sure that Senator Gillette was happy to be of assistance in this matter and hope that some satisfactory conclusion can be reached.

Sincerely,

Stewart E. McClure
Administrative Asst. to
Senator Guy M. Gillette

C
O In reply refer to
P WE 483.1174/10-2351
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December 4, 1951.

My dear Senator Gillette:

Mr. Webb has asked me to reply to your letter of Nov. 28, 1951, concerning the disposition of the proceeds of German assets in Italy. Your suggestion that the amount still unpaid to the International Refugee Organization under the Swiss and Portuguese Accords, be provided in lire from the liquidated proceeds of German assets in Italy, is being considered by the Department in concert with the Governments of the United Kingdom and France who jointly share with the United States the responsibility in matters of this kind.

In the meantime, the Allies continue to understand that the Government of Switzerland is prepared to deliver to the International Refugee Organization, in accordance with the instructions of the Allies, an additional sum in Swiss francs as soon as other questions arising under the Accord have been settled. The Department has not relaxed its efforts to secure full and early implementation of the Portuguese Accord, which, as you know, commits the first 100 million escudos to be realized from the liquidation of German property in Portugal to the International Refugee Organization.

The Department appreciated having the benefit of your views on this matter. Since many complex problems are involved, it will undoubtedly be some time before the three Governments can arrive at a decision with respect to the disposition of liquidated assets in Italy.

Sincerely yours,

/s/ Ben H. Brown, Jr.,
Acting Assistant Secretary

The Honorable
Guy M. Gillette
United States Senate

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November 26, 1951

Handwritten initials

Handwritten signature

Hon. James E. Webb
Acting Secretary of State
Department of State
Washington, D.C.

My dear Secretary:

You will recall that, by the terms of the Italian Treaty of Peace, German assets seized in Italy were put at the disposal of the Allied governments, France, Great Britain and the United States. It has come to my attention that there is now a proposal under consideration to transfer these assets to the Italian Government.

I can of course appreciate the motives which prompt such a proposal, in view both of the Italian economic situation and of the destruction caused by the Germans in Italy during the war. I wish, however, to call your attention to certain facts which bear importantly on the desirability and propriety of this proposal:

1) There still remains unpaid to the International Refugee Organization a substantial part of the \$25,000,000 of German external assets which, according to the Paris Reparation Agreement of 1946, were promised to those victims of Nazi atrocities who were not repatriable. Certainly the I.R.O. should receive full payment on this account before any further disposition is made of these assets.

2) Moreover, the recent statement of the German Chancellor, Konrad Adenauer, shows a desire to use German resources to make some recompense to the victims of Nazi regime. It would be wholly in keeping with the development in German policy if Nazi assets, which in fact are available to the Allies outside Germany, were to be devoted primarily to the fulfillment of the minimum obligations of the Paris Agreement.

In case the sums for the I.R.O. from German assets held in Switzerland and Portugal are not promptly paid over, an equivalent amount from the assets held under Allied control in Italy should be used for this purpose.

3) It would seem likely that the Italian Government itself would warmly approve the use of these funds - former Nazi assets, for such a worthy, humane purpose and would regard

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such a use as a contribution toward the final solution of the
refugee problem that originally was created by the Nazis.

I shall appreciate your favorable consideration of these
suggestions.

Sincerely,

Guy M. Gillette

MEMORANDUM ON SOME
OF
SEYMOUR RUBIN'S ACTIVITIES
IN
WASHINGTON

1. German external assets.

This problem remains, but should be cleaned up, one way or the other, in 1952.

a. Switzerland

Negotiations in May 1951 promised early payment of 17,200,000 Swiss francs. The Swiss insisted on German acceptance of the compensation aspects of the proposal. Adenauer refused to go along.

My subsequent efforts have been directed at: (i) not allowing State Department to drop the whole matter -- as a strong State Department contingent seems to wish to do;

(ii) getting further requests or demands that the refugee funds be advanced immediately, regardless of the overall settlement.

To this end, I have had numberless talks with State; with the British and French, in Washington and in Bern; had Senator Kefauver, Congressman Javits and others express interest, etc.

I believe we will get the money in 1952.

b. Portugal.

The Portuguese Accord has been dormant for a long time. I have pushed State on it constantly, seen Ambassador Mac Veight, and written reams suggesting acceptance of the offer of settlement made by the Portuguese some two years ago. This offer is not very good from certain points of view, but it is entirely satisfactory from the point of view of obtaining the 100,000,000 escudos which is a priority payment.

The State Department has now accepted this position and is actively pushing the British and French also to accept it. If this can be done, the 100,000,000 escudos should be available immediately thereafter.

c. Italy

500,000,000 lire were paid over to the IRO during 1951, as a result of our request that the U.S. give up to IRO its share of German assets in Italy.

I have also urged, in support of an IRO proposal, that the remainder of German assets in Italy not be transferred to Italy (as is proposed)

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until the IRO claim is fully satisfied. Senator Kilgore has sent a letter drafted by me to this effect. During the course of the reparations conference, I exchanged telegrams with State on this point. Since it is desired to transfer these assets to Italy, this tactic may induce quick action.

d. Japan

I have made an effort to have German assets in Japan used for relief of Jewish refugees who were interned at Shanghai. It is doubtful how far this attempt will get.

2. Restitution.

a. Germany

About 75% of my time in the past year - and I believe in the next year the same will be true - has been devoted to restitution - JRSO and related matters. These include: the status of JRSO; the logistic-support position of JRSO; equalization of burdens tax legislation; the Berlin restitution law; the residual claims matter; the question of participation in the London debt conference; and finally the many problems involved in the contractual arrangement. The Court of Restitution Appeals issue alone has, at times, been a full time job at the Washington end.

For 1952, these restitution problems may somewhat abate, but the reparations - collective recompense issue will be a major one. On this, in fact, there probably should be a full-time Washington representative. Under any circumstances, the program of liason with the organizations, with the Israel Embassy and with the State Department will eat up a tremendous amount of both time and work.

b. Austria

Some work has been done here, and we have received assurances of the renewal of the Austrian Third Restitution Law.

3. Heirless Assets

a. The United States

We had the bill introduced once again. Senator Chavez presented passage on the consent calendar. I have put in a great deal of time on this, speaking and writing to Chavez's office and others, etc.. In 1952 the work will continue - hopefully, both in the Senate and House.

b. Elsewhere

In my opinion, the heirless assets problem in Switzerland and elsewhere is almost dead. There are no real prospects of realization, and little other than pro forma efforts need be made.

* * *

From the monetary point of view, the German external assets program, the restitution and reparation program, and the heirless property legislation in the United States are the salient aspects of the work for 1952.

Seymour J. Rubin
October 30, 1951

Jewish Restitution Successor Organization
 270 MADISON AVENUE
 New York 16, N. Y.

WPH

August 7th, 1951

MEMORANDUM

To: Moses A. Leavitt
 Nehemiah Robinson
 Eugene Hevesi
 Seymour J. Rubin

From: Eli Rock

By way of further preparation for our scheduled meeting on Thursday with Mr. Byroade, I am sending you attached the following additional documents which have just been received from Europe:

- a) Confidential letter dated August 3rd from Mr. Ferencz.
- b) Letter dated August 3rd from Mr. Jacobson.
- c) Letter dated July 27, 1951 from Barnett Janner to Lord Henderson.
- d) Cable dated August 3rd from Mr. Beckelman to Mr. McCloy.
- e) Draft letter dated August 3rd from four agencies to Mr. McCloy.
- f) Draft letter dated August 3rd from four agencies to Mr. McCloy.
- g) Cable dated August 7th from Mr. Ferencz to the undersigned.

It should be noted that items e) and f) are only in draft form and may have been changed by Mr. Ferencz prior to their submission to Mr. McCloy.

May I urge that prior to the conference with Mr. Byroade on Thursday the attached material be carefully studied. Most important for purposes of the Thursday meeting is the four agency letter of July 31 to McCloy, which was previously sent to you and which contains the various arguments that need to be made formally to Mr. Byroade.

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MEMBER ORGANIZATIONS

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| AMERICAN JEWISH COMMITTEE | AGUDAS ISRAEL WORLD ORGANIZATION | WORLD JEWISH CONGRESS | COUNCIL FOR THE PROTECTION OF THE RIGHTS AND INTERESTS OF JEWS FROM GERMANY |
| COMMITTEE OF LIBERATED JEWS IN GERMANY | CONSEIL REPRESENTATIF DES JUIFS DE FRANCE | BOARD OF DEPUTIES OF BRITISH JEWS | CENTRAL BRITISH FUND |
| JEWISH AGENCY FOR PALESTINE | AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. | JEWISH CULTURAL RECONSTRUCTION, INC. | INTERESSENVERTRETUNG ISRAELITISCHER KULTUSGEMEINDEN IN THE U. S. ZONE OF GERMANY |
| | | ANGLO-JEWISH ASSOCIATION | |

OPERATING AGENTS

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| JEWISH AGENCY FOR PALESTINE | AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. | JEWISH CULTURAL RECONSTRUCTION, INC. |
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C O P Y

HEADQUARTERS
JEWISH RESTITUTION SUCCESSOR ORGANIZATION
APO 696A U.S. ARMY

August 3, 1951

Mr. Eli Rock - JRSO N.Y.

Confidential

No. JRSO New York Ltr #994
Commission for U.S. Zone

Dear Eli:

Cables have been passing furiously in connection with the restitution commission for the U.S. Zone. During my talk with Mr. McCloy last week I told him that the organizations were interested in seeing such a body created. I explained the value of the British committee and the importance of an outside view before it would be too late. I added my own opinion that the findings of such a committee would be a valuable support for Mr. McCloy in any negotiations with the Germans on the subject of restitution.

The High Commissioner replied that he did not feel strongly one way or the other on the subject but felt that speedy action would be required before it would be too late. He indicated that a point might be reached in which the present status would be completely swept away in order that greater objectives might be achieved. He said he could not predict the outcome of any future talks by the Foreign Ministers but the Jewish organizations would be advised to keep up the pressure in the State Department in order that their interests might not be forgotten.

Jerry is supposed to cable Mr. McCloy today advising him that I will present a paper from the organizations giving all the details on the commission. The paper was drafted while I was in Paris and we were simply awaiting the names of the candidates before making the presentation. I think the selection of persons for the commission was excellent and of the highest caliber.

I don't imagine that the State Department will be delighted to learn about the recent developments here and there probably will be new obstacles created in Washington. I think we are fully justified in insisting that no steps be taken on the reserved power question until the commission has had a chance to report. Once Mr. McCloy has officially concurred in the matter we can then entertain a lengthy debate on the whole question. The maneuvering is most interesting.

Cordially yours,

Benjamin B. Ferencz

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C O P Y

AMERICAN JOINT DISTRIBUTION COMMITTEE
119 Rue Saint Dominique
Paris (7e)

PARIS JHSO Letter #90

August 3, 1951

Mr. Eli Rock
Jewish Restitution Successor Organization
New York

Dear Eli:

We have missed by a hairsbreadth being sold down the river on reserved power and only Ben's eleventh hour push has temporarily postponed the problem. That the British lit the fuse you already know, and it is clear that we have important enemies on the British side as well as perhaps friends. I interpret that this is the threat which Henderson has wanted to stave off with the Commission. As soon as I had word of the move I called London and got them to intervene as per the enclosed copy of letter from Janner to Henderson.

A thing in this picture that gives me concern is that Reber seems to be more directly linked to State Department control than to McCloy control and therefore was all set to start the talks with the Germans on a mixed court. Only the instant's rush in by Ben has sent the question to the Department for reconsideration.

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Kindest regards,

Jerome J. Jacobson

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C O P Y

August 3, 1951

JOHN J. MCCLOY, U.S. HIGH COMMISSIONER
FRANKFURT

AMERICAN JEWISH ORGANIZATIONS LEARNED WITH GREAT RELIEF THAT SUBJECT
ENDING RESTRICTION RESERVED POWERS PUT OFF AGENDA FOR TIME BEING IN
ALLIED TALKS WITH GERMANS STOP DEEPLY GRATEFUL YOUR TIMELY INTERVENTION
STOP DESPATCHING REQUEST BEHALF FOUR PRINCIPAL AMERICAN JEWISH ORGANIZATIONS
FOR APPOINTMENT BY YOU OF A THREE MAN COMMISSION FOR EXAMINATION IF CAN HELP
YOU TO BRING RESTITUTION PROGRAM TO SPEEDY CONCLUSION STOP FERENCZ WILL
BELIEVE TO YOU NEXT DAYS STOP BEST WISHES

N. W. RECKERMAN
DIRECTOR GENERAL
AMERICAN JOINT DISTRIBUTION COMMITTEE

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C O P Y

August 3, 1951

JOHN J. MCCLOY, U.S. HIGH COMMISSIONER
FRANKFURT

AMERICAN JEWISH ORGANIZATIONS LEARNED WITH GREAT RELIEF THAT SUBJECT
ENDING RESTITUTION RESERVED POWERS PUT OFF AGENDA FOR TIME BEING IN
ALLIED TALKS WITH GERMANS STOP DEEPLY GRATEFUL YOUR TIMELY INTERVENTION
STOP DESPATCHING REQUEST BEHALF FOUR PRINCIPAL AMERICAN JEWISH ORGANIZATIONS
FOR APPOINTMENT BY YOU OF A THREE MAN COMMISSION FOR EXAMINATION IF CAN HELP
YOU TO BRING RESTITUTION PROGRAM TO SPEEDY CONCLUSION STOP FERENCZ WILL
DELIVER TO YOU NEXT DAYS STOP BEST WISHES

M. W. BECKELMAN
DIRECTOR GENERAL
AMERICAN JOINT DISTRIBUTION COMMITTEE

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C O P Y

August 3, 1951

The Hon. John J. McCloy
U.S. High Commissioner for Germany
APO 757, U.S. Army

Dear Mr. McCloy:

Mr. Ferencz recently delivered to you on behalf of the four principal Jewish agencies of the United States a letter explaining the very serious concern felt regarding the proposal to disestablish the existing Allied Court structure dealing with restitution problems and replace it with a mixed court which would include German jurists as a part of a proposed Allied-German contractual arrangement. Indeed, the Jewish organizations were disturbed to learn of the questionable haste with which the British authorities have proceeded to propose scheduled discussions with the Germans looking towards ending the Allied reserved powers over restitution matters, more especially since so far as we can determine there does not seem to exist any clear agreement among the three Allied Governments themselves concerning the details of a substituted program which would reasonably assure the Allied Governments that their policies on restitution would be fulfilled under German control. Once again we find ourselves indebted to you for your timely and well considered intervention to urge that more careful thought be given to this subject before discussions be held with the German Government. I am instructed on behalf of the Jewish organizations of the United States to renew the expression of our continued gratitude and indebtedness to you.

You will be pleased to learn that the Jewish organizations of the United Kingdom expressed their concern to Lord Henderson, the British Under-Secretary of State for Foreign Affairs, when they learned that their Government was seeking so prematurely to discuss giving over control to Germany.

We feel that these developments are straws in the wind pointing that an important moral and equitable policy of the United States and the other Governments, namely, the restitution program, may inadvertently to the wishes of our Government be destroyed or cancelled out as a consequence of negotiations with the German Government, which negotiations in the main look towards solving other very important political and security aspirations of our Government and our Allies. Because of these considerations we have cast about in search of some solution to bring the restitution program to a close quickly before it may be necessary to discuss a transfer of authority to the Germans. A means of exploring this question was informally discussed with you by Mr. Ferencz and we are deeply appreciative that you have indicated your willingness to give it sympathetic consideration.

On May 27, 1951, the British Under-Secretary of State for Foreign Affairs, with the approval of the Secretary of State, appointed a committee to examine the progress made under the restitution law in the British zone, and to make recommendations which might remove or reduce the causes of any delays in the disposal of claims. The three-man-committee invited persons and organizations to give evidence before it and quickly rendered a report to the Foreign Office. The suggestions of the British committee were gratefully received as a valuable contribution towards the fulfillment of the restitution objectives.

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The American organizations, who have asked me to communicate with you on their behalf, realizing your own interest in doing everything possible to expedite the successful conclusion of the important restitution program, respectfully invite your consideration to the establishment of a similar commission for the U.S. Zone. Our suggestions would vary somewhat from the British approach, in that we feel in view of the outstanding record which you have on this and other matters and to dispel any possible assumption by anyone that we would imply any criticism of your administration in this proposal and further to conclude the matter as quickly as possible, any commission in the U.S. zone should be by your appointment in accordance with your frame of reference, and should report its findings and recommendations to you. It is felt that such a body might within a short period of time, survey the restitution scene from the perspective of an outside group, and prepare an objective evaluation of the situation as well as its recommendations for constructive action. In view of the current considerations for discussing with the German authorities the relinquishment of the reserved power in the field of restitution it seems increasingly important that some such step be undertaken before the Allied rights are surrendered. The findings and recommendations of such a group might provide an important scale in which the reasonableness of German demands could be weighed.

Since discussions on the future status of restitution may soon be undertaken between representatives of the High Commission and the German authorities your early and favourable consideration of this suggestion would be sincerely appreciated.

Respectfully yours,

M. W. Beckelman,
Director General,
American Joint Distribution Committee

on behalf of:

AMERICAN JEWISH COMMITTEE

AMERICAN JOINT DISTRIBUTION COMMITTEE

JEWISH AGENCY FOR PALESTINE

WORLD JEWISH CONGRESS

August 3, 1951

The Hon. John J. McCloy
U.S. High Commissioner for Germany
APO 757, U.S. Army

Dear Mr. McCloy:

Concurrently with giving you this letter on our behalf, Mr. Ferencz will be giving you our formal request for the appointment by you of a three-man-commission to investigate and report to you on the expediting of restitution problems in the American Zone of Germany.

We do not feel that such a commission requires a very long time to examine into the problem nor to prepare its report. In fact, we believe that a small group of intelligent and experienced former public servants could undertake this in a two weeks survey and require an additional week's time to draft and forward a report to you. Moreover, we recognize that if this proposal is to serve its purpose it should be done and completed rapidly so as to avoid any impression of delay on one hand and to meet with other requirements of governmental policy.

We have consequently taken the liberty of discussing this matter informally with persons who appear to be qualified and who would be available promptly to come to Germany on a consultant basis for the brief period required.

The following former public officials are submitted for your consideration:

- (1) Mr. James Landis, former dean of Harvard Law School, and holder of numerous Government posts. Dean Landis' office address is: 1822, Jefferson Place, N. W., Washington 6, D. C.
- (2) Mr. Rupert Emerson, Harvard School of Economics, former official in the State, Interior and Commerce Departments. Mr. Emerson's address is c/o Harvard, Cambridge, Mass.
- (3) Mr. David Ginsburg, former General Counsel of the Office of Price Administration, Adviser to General Clay, etc. Mr. Ginsburg's address is: Washington, D. C.

Mr. Ferencz will be available to discuss with you any other related questions which you may have in mind.

Respectfully yours,

M. W. Beckelman,
Director General,
American Joint Distribution Committee

on behalf of:

AMERICAN JEWISH COMMITTEE
AMERICAN JOINT DISTRIBUTION COMMITTEE
JEWISH AGENCY FOR PALESTINE
WORLD JEWISH CONGRESS

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DEPARTMENT OF STATE
WASHINGTON

July 10, 1951

In reply refer to
GEA.

Dear Mr. Rock:

During the course of the discussions on various aspects of the internal restitution program in Germany which took place on April 27, 1951 between the Under Secretary of State and yourself, and with representatives of the American Section of the Jewish Agency for Palestine, The Joint Distribution Committee, The World Jewish Congress, The Jewish Restitution Successor Organization, and the American Jewish Committee the understanding was given that the Department would amplify its position on certain problems raised at the meeting. The aforementioned organizations restated their special interest in two of the problems in their letter of June 1 to the Under Secretary.

It appears that the question of greatest concern to the various groups is whether we contemplate retaining the reserved power over restitution after the decision of the Foreign Ministers at their Brussels meeting to place Allied-German relations on a new basis has been realized. I must tell you quite frankly that we do not contemplate the retention of the reserved power. In order to achieve the objective laid down by the Foreign Ministers, it will be necessary to abolish the Occupation Statute and to replace various reserved powers, including the power over restitution, with contractual arrangements. It does not, however, preclude us from requiring, as part of the contractual arrangement, guarantees from the German Federal Government which will assure satisfactory conclusion of the internal restitution program, and it is our intention to demand such guarantees. The Department has now approved the recommendations of the Intergovernmental Study Group on Germany regarding the commitments to be asked of the Government of the Federal Republic in this field. Although I am not in a position to disclose the terms of the Intergovernmental recommendations, I can assure you that careful consideration has been given to the suggestions on this subject that were received.

With respect to the problem of the use of Deutsche Mark balances acquired by the Jewish Restitution Successor Organization, we have given careful consideration to this issue. The Department recently requested the United States High Commissioner to seek the concurrence of his British and French colleagues in a plan whereby JRSO would be able, under appropriate safeguards, to use its mark balances for the purchase and export of certain goods needed for resettlement and rehabilitation work. In authorizing this departure from the general policy regarding utilization of foreign-held mark balances, the Department took into account the special considerations which apply to the funds held by JRSO. In particular, we were influenced by the history of the establishment of the

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organization, the charitable nature of its operation, and its assistance to the Occupying Powers and to the Federal Republic in finding new homes for persons who would otherwise remain a charge on the German economy.

The successorship of the Federal Republic to the Reich is the most difficult question you have raised. The position of the three Occupying Powers has, of course, been clearly expressed in tripartite statements to the effect that the Government of the Federal Republic is the only German Government freely and legitimately constituted and therefore entitled to speak for Germany as the representative of the German people. We are not aware of any instance where the successorship factor has prejudiced the merits of restitution claims, but at the same time we recognize that this is not a final and satisfactory answer. The successorship question involves exceedingly complicated legal and political considerations, bearing upon many of the major issues involved in determining the future status of the Government of the Federal Republic. The problem is not limited to restitution, and it cannot be resolved solely within that context. At this stage I can only assure you that the Department is well aware of the importance of this question in relation to restitution and will not fail to exert its efforts to find a satisfactory solution.

The form of this reply confirms our understanding that the representatives of the other above indicated organizations are agreeable that it should be made through you.

Sincerely yours,

For the Secretary of State:

Geoffrey W. Lewis
Deputy Director
Bureau of German Affairs

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Jewish Restitution Successor Organization
 270 MADISON AVENUE
 New York 16, N. Y.

July 12th, 1951

MEMORANDUM

To: Maurice M. Boukstein
 Moses A. Leavitt
 Nehemiah Robinson
 Simon Segal
 Seymour J. Rabin
 Benjamin B. Ferencz
 Jerome J. Jacobson

From: Eli Rock

Re: Letter from State Department

For your information, I am attaching herewith a copy of a letter which I have just received from the State Department. (Presumably the letter was sent to me in my capacity as the so-called "Secretary" of the four organizations.) The letter, it will be noted, is an attempted reply to a number of the issues which the four organizations have raised with the Department over the past several months, but it appears to have chief value for its specific information regarding the favorable action of the Department on the JRSO transfer license.

Inasmuch as it will be necessary for HICOG to take up officially with the French, the British, and the Germans the question of the JRSO license, the Department requested that we not give any publicity at this time to this internal action which has taken place between the Department and HICOG. On the other hand, it is entirely in order for the Jewish organizations to begin now to build up a favorable French and British attitude towards the JRSO license request, without indicating that HICOG and State have already approved it, and I assume that Messrs. Ferencz and Jacobson particularly will shortly want to initiate the necessary actions in that direction.

Eli Rock

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 Enc.

MEMBER ORGANIZATIONS

AMERICAN JEWISH COMMITTEE AGUDAS ISRAEL WORLD ORGANIZATION WORLD JEWISH CONGRESS COUNCIL FOR THE
 PROTECTION OF THE RIGHTS AND INTERESTS OF JEWS FROM GERMANY BOARD OF DEPUTIES OF BRITISH JEWS CENTRAL
 COMMITTEE OF LIBERATED JEWS IN GERMANY CONSEIL REPRESENTATIF DES JUIFS DE FRANCE CENTRAL BRITISH FUND
 JEWISH AGENCY FOR PALESTINE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. JEWISH CULTURAL RECONSTRUCTION, INC.
 INTERESSENVERTRETUNG ISRAELITISCHER KULTUSGEMEINDEN IN THE U. & ZONE OF GERMANY ANGLO-JEWISH ASSOCIATION

OPERATING AGENTS

AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. JEWISH CULTURAL RECONSTRUCTION, INC.

June 18, 1951

Dr. Eugene Hevesi
The American Jewish Committee
386 Fourth Avenue
New York, New York

[Handwritten signatures and initials, including "E. Hevesi" and "J. Stucki"]

Dear Eugene:

Re: Washington Accord

Last week I called Simon's attention to the long article which appeared on the financial pages of the N. Y. Times a week or so ago. This article indicates a considerable number of difficulties with respect to the Washington Accord and therefore with respect to the possibility of our getting the now much promised 17 million Swiss francs.

The Times article fairly accurately outlines the situation. That situation is that agreement was reached between the Allies and the Swiss with respect to all phases of the Accord with, however, the proviso that the "details" of compensation for the German owners of property would have to be worked out in Frankfurt. The State Department now expects, as the article indicates, a cable from Frankfurt saying that the Bonn Government has refused to go along. This refusal is despite the clear statements of HICOG officials who participated in the Bern negotiations that there would be no difficulty with the Germans. It raises the question of what comes next.

The State Department position has been that, if the Germans refuse to go along the High Commissioners would promulgate a law providing for a scheme of compensation of the German owners, as provided in the Bern negotiations. It now turns out, however, that this may be no solution to the problem. Stucki, the Swiss representative on these matters since 1946, has stated, in one of the final meetings of the Bern conference, that he would implement the agreement only on the basis of voluntary cooperation of the Germans. This attitude apparently reflects Swiss fears that a future German government might repudiate the obligation if it were forced on them by High Commission orders.

As is indicated in the Times article in its last paragraphs, there have been some discussions recently about an entirely new method of settlement; namely, a lump sum settlement. In 1946, when I was in Switzerland on behalf of the State Department, I had an informal meeting with M. Max Petitpierre, then and now the Foreign Minister of Switzerland, which was arranged by some influential Swiss friends. At that time I explored, entirely informally, the possibility of a lump sum settlement and wrote a memorandum on the subject. The idea intrigued Petitpierre but he said that Stucki would have to be consulted on the matter; and Stucki was committed it turned out to the method which has now been pursued for three years since that meeting of mine.

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Roger Williams, the State Department official who is handling this matter now, indicates that my old memorandum has now come to the top of the files and that an independent approach was made to him by certain Swiss banking interests who allege that they have consulted Stucki and allege that Stucki is now interested in the possibility of a lump sum settlement. Williams is fairly optimistic about the possibility of something being worked out along these lines. I am reserving my judgment on this point. I think that the procedure should be for the Allies to present Stucki with a draft of a High Commission law which would take the matter out of the hands of the Germans and thus to put the burden on Stucki of refusing to implement the Bern agreement on the basis of a High Commission law rather than a German Government law. If Stucki then turns down implementation on this basis, it is my opinion that the way will be much better prepared for negotiations on a bulk sum settlement. It is my understanding that the Department of State is proceeding on this basis and is instructing HICOG to draft a High Commission law immediately.

Needless to say, I am greatly disappointed at this last hitch in the proceeding, particularly since the previous word from HICOG officials had been that the Bonn Government would go along with the proposed settlement. We seem still to have some real chance, however, to accomplish our objective and I shall, of course, continue to keep you informed. In view of the importance of these developments, I am sending a copy of this letter to Mr. Moses Leavitt.

Sincerely yours,

Seymour J. Rubin

cc: Mr. Leavitt

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June 1st, 1951

The Hon. James E. Webb
Undersecretary of State
Department of State
Washington, D. C.

Dear Mr. Webb:

This will refer to the kind opportunity afforded by you on April 27th to the representatives of the undersigned organizations for a discussion of various current matters involving restitution and related questions in Germany. During the course of that discussion with you, in which Mr. Geoffrey Lewis of the Department also participated, reference was made by our delegation, among other things, to the then current deliberations of the ISG on restitution and to the pending application of the Jewish Restitution Successor Organization (JRSO) for a transfer arrangement.

With reference to the ISG discussions, it was requested by our organizations that as and when the final recommendations of the ISG were submitted on restitution, we be given the prompt opportunity to be informed concerning these recommendations and to consult with the Department regarding them. You will recall that it was indicated by you that our request would be granted. Within recent weeks information has been received that the final recommendations of the ISG on restitution have now in fact been submitted to the respective governments and that the latter are now considering these recommendations. Under the circumstances, the undersigned respectfully take the opportunity to request information at the earliest possible date regarding the nature of these recommendations and to request the privilege of presenting their views on the recommendations.

In connection with the pending JRSO application, it was requested by us on April 27th that, if possible, an early and favorable decision be arrived at by the Government. The information given to us at the time was that the application had been received from HICOG and was being given the active consideration of both the State Department and other branches of the Government. While it is not regarded by the undersigned as necessary to repeat herein the justifications in favor of the JRSO application, attention should be called to the urgency and the importance of this matter and to the considerable delay which has already elapsed. It is sincerely hoped that a prompt and favorable decision can be communicated.

325848

The remaining items included in the aforementioned discussion on April 27th, as well as in the memorandum submitted by the undersigned at that time, continue to be of outstanding importance, and it is hoped that favorable action by the U.S. Government will also be possible in the case of all of them.

The undersigned organizations take this opportunity to express to you again their gratitude for your past and continuing interest and consideration in all of these matters.

Sincerely yours,

JEWISH AGENCY FOR PALESTINE

THE AMERICAN JEWISH JOINT DISTRIBUTION
COMMITTEE, INC.

WORLD JEWISH CONGRESS

AMERICAN JEWISH COMMITTEE

C O P Y

UNITED STATES HIGH COMMISSIONER FOR GERMANY

APO 757

c/o Postmaster, New York, New York

February 26, 1951

My dear Mr. Javits:

This will acknowledge your letter of January 8, 1951, concerning the exemption of United Nations nationals from equalization of burdens levies and the future administration of the internal restitution law.

You will recall that in my previous letter of November 20, 1950, I advised you that a new formula redefining the concept of United Nations nationals for the purpose of exemption from equalization of burdens levies had been agreed upon and was being discussed by representatives of the Allied High Commission and the German Federal Government on a technical level. While these discussions are still in progress at the present time and no final decision as to the ultimate scope of the exemption has been made, it is fairly safe to state that it will not be possible to obtain full exemption for United Nations nationals from all equalization of burdens levies as was done in the case of the Immediate Aid Law taxes. Indeed in some cases it would not appear just that they should. You may be certain, however, that every effort will be made to reach a sensible solution which takes into account both the rights of United Nations nationals to special protection as well as the fact of the rapidly progressing normalization of our relations with Germany.

I recently had a talk with Dr. Goldmann and other representatives of the World Jewish Congress on this subject. I also told Dr. Goldmann's group that I would be glad to consult with Mr. Perenez on any measures we might have in mind to deal with restitution matters in the event there was a change in status effective in Germany.

We have recently had a lump sum settlement achieved in Hesse with the JMWG of which perhaps you have heard. Incidentally, I hope the same results can be achieved in other laender. It took considerable pressure in Hesse and will take more in Bavaria. The question whether this settlement was to be subject to the equalization law came up. I must say that it seems inappropriate that it should and I promised to see what should be done to meet this situation.

I fully appreciate the views and considerations expressed in your letter on Allied supervision of internal restitution in Germany. The Inter-Governmental Study Group which is not authorized to make binding decisions has had the whole matter of the Occupation Statute including the restitution power under consideration and review for some time. No proposals have as yet been made to the foreign ministers on this subject. As you know it has always been the objective of the United States, shared substantially by France and the United Kingdom, that the claims of Nazi victims in regard to restitution should be met just as fully as possible. This will continue to be the objective of the United States.

The Honorable

J. K. Javits,

House of Representatives

Washington 25, D. C.

325850

Indeed there is such a vital interest in this subject that I think it might be well to have organizations in the United States present their views to the State Department. If I may suggest these views should not merely be in general form but should attempt a long range solution, bearing in mind the general policy declared at Brussels of moving to a contractual status with Germany just as conditions permit.

I certainly do not contemplate or foresee any modification of United States policy which has been responsible for the creation and retention of present restitution legislation to date which would imply the slightest relinquishment of our determination to maintain intact the substantive legal rights of restitution claimants. The problem I am interested in is how to do this effectively so that even after we have moved to a contractual status we can have something in the way of guarantees which will insure that these rights will be maintained.

Sincerely yours,

/s/ John J. McCloy
United States High Commissioner
for Germany

325851

DEPARTMENT OF STATE

Confidential File
13 JTB
BANKING
NOV 9 1950
[Signature]

November 9, 1950

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My dear Mr. Kingsley:

The United States is engaged in discussions with respect to the disposition of the proceeds of liquidation of German assets in Italy. As the International Refugee Organization is aware, the United States is proposing that a sum of 500,000,000 lira be turned over to the International Refugee Organization.

It will be expected that this sum will be used by the International Refugee Organization for the rehabilitation and resettlement of non-repatriable victims of German action, and distributed for the purposes and in the manner set forth in Article 8 of Part I of the Final Act of the Paris Act on Reparation, the Five Power Agreement of June 14, 1946, and the Letter of Instruction of June 21, 1946.

When the final arrangements concerning the allocations are made, you will be informed when you may request the funds from the Government of Italy. In the meantime, the Department would appreciate confirmation of its understanding, as set forth above, of the manner in which the funds will be used.

- - -

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325852

GENERAL INVESTIGATIVE
DIVISION

August 17, 1950.

Mr. Louis B. Bennett
New York Association for New Americans, Inc.
15 Park Row
New York 7, N.Y.

Dear Lou:

With further reference to my letter of August 3rd, I have just received the following reply from Charlie Jordan:

"With reference to the letter from Lou Bennett on the question of indemnification awards relating to Jewish DPs coming into New York, I suggest that Lou Bennett have a good talk with the USIA people who were here on their recent visit. They have looked into this matter very thoroughly and I am sure they can give him a great deal of information. As far as the repeated requests from stateside to us are concerned to inform them about clients' resources, I should like to repeat what I have said before that we always try to inform USIA of the resources of clients going to the United States as far as they are known to us. The difficulties which exist in so far as Germany is concerned are that not only do we not have a great deal of information on most people but that people acquire their important resources outside of regular channels and that it would be most impolitic to discuss these matters in letters. Again, however, Arthur Greenleigh particularly has looked into this matter and will be in a position to discuss it more fully with Mr. Bennett."

Sincerely yours,

Norman A. Levitt

325853

COPY

July 13, 1950

MEMORANDUM: Italian Looted Property

George Warren of the State Department called me on July 13, 1950 to say that the British have made a counter-proposal on the above subject. The proposal is as follows:

1. The British will agree that the gold coins found in the Italian loot should be liquidated as part of the loot. Their previous position was that these coins should be returned to the countries of origin.
2. The British will agree that the proceeds should be divided 50-50 between the Italians (for relief) and the International Refugee Organization. The IRO is to use its 50% for victims of Nazi persecution. The British thus yield on their original position that the proceeds should go into general IRO funds.
3. However: the British say that the IRO should, in turn, distribute its receipts 50% to Jewish relief organizations and 50% to non-Jewish. They argue that the 90-10 split is not fair under present circumstances. The fact is that they have expressed resentment at the immediate distribution of past receipts by the Reparation Division of IRO to the JDC and the JAFF, and their attitude here is a partial reflection of that resentment.

Warren feels that he cannot hold State to a stiffer position and that these proposals are, under all circumstances, not bad. He is consulting Mr. Kingsley. If Kingsley agrees, he will agree on behalf of the United States.

I told him I'd like to have a better split (say 75-25) but that I understood his view and appreciated his efforts. He, in fact, is the sole reason why the British have come around at all. The rest of the State Department people in this (Ely Maurer excepted, to some extent) have been very weak.

Seymour J. Rubin

325854

July 12th, 1950

MEMORANDUM

To: William Fisher
Harry Grossstein
Abe Ryman

CONFIDENTIAL

From: Eli Beck

Re: Progress under General Claims Law

As individuals who had so much to do with the actual enactment of the General Claims Law in the U.S. Zone, it has occurred to me that you might be interested in some recent HICOG figures which we have received regarding the actual progress made under the law thus far.

Specifically, some 196,000 claims have already been filed of which 6,800 have been processed and adjudicated; it is anticipated that the total of claims filed in the American Zone will eventually come to 200,000. Thus far, payments made under the General Claims law have amounted to about 30 million DM (of which approximately 23 million were in the form of advance payments in cases that had not yet been processed). Total eventual payments, it is anticipated, will amount to 1 billion DM. For the year 1950-51 a budget has been submitted amounting to approximately 180 million DM for the entire U.S. Zone.

Although the Germans have been dragging their feet miserably in the over-all implementation of the law thus far and although there are many other complaints afloat, I certainly feel that the three of you are very much entitled to be proud over what has in fact been accomplished.

Eli Beck

BR:AB

325855

WTA
May 31, 1950

Dr. Eugene Wevsi
The American Jewish Committee
336 Fourth Avenue
New York, New York

GENERAL INVESTIGATION
Reparations Italy

Dear Eugene:

Re: Italian Looted Property

The latest report on this situation is:

1. David Rolbin of IBC has inventoried the property which comes to about \$95,000.
2. The State Department has had a continuing battle with the British. The British representative has now come forward with the proposal that all of the above amount be paid over to the Italian Government. You will recall that it had previously been agreed that one-half of it would go for these purposes.
3. The State Department is scheduling an internal meeting in a few days to discuss this situation. It has been pointed out to State that the British do not propose to return the British pounds to Italy, but merely the remainder of the loot.
4. It is now being proposed to State that it divide the property between the United States and Britain. The British can then turn their one-half over to Italy; the United States will turn its share over to IBC. We should know about this fairly soon.

The attitude of the British on this has been extremely unconscionable. I have a meeting scheduled with a member of the British Embassy for Thursday. At that time I intend to say that we know all the facts; that the British never had and do not have a legal claim to these funds; that it is most peculiar that they have never located any looted property anywhere, but that such property has been located by the United States; and that we intend to bring such pressure as is possible to bear on State, unless the solution above is agreed, to prevent the sterling being turned over to the British.

Sincerely yours,

Seymour J. Rubin

cc: Mr. Leavitt

325856

DEPARTMENT OF STATE

WASHINGTON

APR 11 1950
Italy
Reparations

In reply refer to
DMA/R 265.0041/5-2150

My 11, 1950

My dear Mr. Blaustein:

I have received your letter of March 21, 1950 with respect to looted property presently in the vaults of the Bank of Italy under the joint custody of the American and British Embassies in Rome.

The liquidation and disposition of this property has been a matter of continuing discussion between the British and the United States Governments and the International Refugee Organization (IRO) for a period of months. The property in question is presently being inventoried by the representatives of the IRO in Rome, and preliminary reports suggest that the total sum to be realized from the sale of the property is likely to be comparatively small. When the final reports are received within the next few weeks it is expected that a plan for disposition of the proceeds available to the two governments and to IRO will be worked out. In the meantime, the Department welcomes the expression of your views in the matter and will give those views sympathetic consideration in the further efforts to conclude an arrangement concerning the disposition of the property satisfactory to all parties at interest.

Sincerely yours,

For the Secretary of State:

George L. Warren
Advisor on Refugee and
Displaced Persons

Mr. Jacob Blaustein, President,
American Jewish Committee,
306 Fourth Avenue,
New York 16, N.Y.

325857



La France Industries

WEAVERS OF DECORATIVE FABRICS

119 W. Fortieth Street, NEW YORK 18, N. Y.

April 24, 1950

Handwritten: H.C. Kramer
Stamp: RECORDED
Signature: Kramer

Dear Mr. Leavitt:

I have had a further report
from Mr. Rolbein and am enclosing a copy of it.

Signature: H.C. Kramer
H. C. KRAMER

Mr. Moses A. Leavitt
Executive Vice Chairman
American Jewish J.D.C. Inc.
270 Madison Avenue
New York, N.Y.

325858



La France Industries

WEAVERS OF DECORATIVE FABRICS

119 W. Fortieth Street, NEW YORK 18, N. Y.

Mol

G. V. BERG
Italy Reparation

April 19, 1950

Dear Mr. Leavitt:

Attached is copy of the
letter I received this week from Dave
Rolbein.

Roy Kramer

R. C. KRAMER

Mr. Moses A. Leavitt
American Jewish J.D.C. Inc.
270 Madison Avenue
New York 16, N.Y.

325861

INTERNATIONAL REFUGEE ORGANIZATION

Italy Report

78 Via S. Nicolo da Tolosano
Rome, Italy
April 13, 1950

Dear Mr. Kramer:

Now that Holy Week is over, I have had an opportunity to look at the property and to inspect some of it very carefully.

The quality is very poor; it is reminiscent of the German stuff, and the quantity suitable for Parke-Bernet sales will be quite small. On the other hand, there is a large quantity of jewelry containing stones which must be broken out with the net result that we may have a fairly sizable sale of lower-grade diamonds.

Particulars on what I've seen thus far are:

1. Item containing 5748 rings—all are very old fashioned and should be broken up for smelting; the stones may run up to several hundred carats, some of worthwhile sizes. Perhaps 100 of the total can be sold as such.
2. 362 bracelets—most are gold, with perhaps 30% being of the antique type that sold so well at P-B. None of the modern "Mailman" type. The vast majority must be broken up and the stones sold to the trade.
3. 15,00 earrings—All are the pierced-ear variety, in very poor settings; some small number have diamonds, but a thorough inspection by a diamond expert will be necessary. Most are of very cheap classes, containing glass or synthetic stones. Amount to be realized from them is very small.
4. 225 pearl necklaces—this category is the only one holding much promise at the moment. I believe there may be several genuine strings among these. Many have diamond clasps, and the pearls are of good color. I hope to get someone in soon to explore the X-ray possibilities.
5. In addition, I have seen a collection of several hundred cuff links, studs, stick pins and broken pieces of jewelry, all of which should be smelted directly.

I have not yet seen one large crate which is said to contain gold and diamond jewelry, but hope to inspect that within a few days. In addition, there are a few crates of silverware, a stamp collection and a coin collection. Both the stamp and coin collections are said to have identifying marks on them, so it is possible they may not come to us. I shall write about these as soon as possible.

My immediate observation is that there may not be more than \$150,000 over-all. There seems to be no reason to have Marions come over, and in any event, he could do nothing at the moment since the property still remains in joint US-British custody and we are not permitted to make any segregations at the moment.

I plan to write you every few days, in order to keep you fully advised as we move along. Sorry my report could not be more optimistic as to content of the vault.

Sincerely,

(s) Dava

325862

THE



AMERICAN JEWISH COMMITTEE

386 FOURTH AVENUE, NEW YORK 16, N. Y. Cable Address, "WISHCOM, NEW YORK"

Telephone MURRAY HILL 5-0181

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ALAN M. STROOCK, *New York, Vice-President*
FRANK L. SULZBERGER, *Chicago, Vice-President*

April 19, 1950

Handwritten signature: "Rock" and "E. M. & C. M. 1950"

Dear Eli:

Attached please find copy of Sy Rubin's latest, April 12th report on the rather complicated present status of the Italian looted property issue. We are preparing to carry into effect, at the proper time, Sy's suggestion with regard to Senator Ives' intervention.

With regard to Sy's very practical remark on the relative usefulness of the assistance of our "standbys" in Congress, this communication requires discreet treatment. Since the issue itself is outside of the four organizations' framework, I would appreciate your kindness in treating this as an internal communication between our two agencies.

Sincerely,

Eugene Wevosi

Mr. Eli Rock
The American Joint Distribution Committee
270 Madison Avenue
New York 16, N.Y.

EL:ep
Enc.

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GEN. & ENCL.

April 11, 1950

Dr. Eugene Weis
 The American Jewish Committee
 316 Fourth Avenue
 New York, New York

Dear Eugene:

The latest news with respect to the looted property in Italy is as follows:

1. George Warren some weeks ago had extensive discussions in Geneva with Mr. Edmunds, the British representative on the Executive Council of the IRO, and with Donald Kingsley, the Director General of the IRO. In these discussions it became quite apparent that the British were strongly resisting disposition of any part of the funds arising from the looted property in such a way as to make them solely available through the reparation fund of the IRO. In substance this means that the British would like to see the funds used for other purposes than those of the JIC or the Jewish Agency. More particularly also, there seems to be some feeling on the British side that funds made available to the JA in this manner release other JA funds for such purposes as the rearmament of Israel. In addition, the British apparently object to the fact that, while the reparation division of the IRO was under the direction of Abba Schwartz, such funds as were received were disbursed to the JA and the JIC immediately in connection with approved programs. The British feel that they were not kept informed of this procedure. Warren pointed out that full reports were filed in proper form by Abba Schwartz both with Mr. Tuck and with the Executive Council of the IRO, and that it was merely British negligence which prevented them from knowing the full details. (For your private information, my suspicion is that the reports were voluminously drafted and revealed the true facts but not in such a way as to highlight the disbursement of the reparation funds.) In any case, Warren argued that this was entirely irrelevant; that the Merchandising Committee which has agreed to liquidate the looted property would not operate if the funds were to go generally into the general treasury or were to be spread over a different category of refugees; and that the looted property was substantially similar in character to that found in Germany and Austria and should, therefore, be disposed of in much the same way.

2. After returning to Washington, Warren had an extensive meeting with others in the State Department and with the British here. The British here took much the same line as Edmunds had in Geneva. The sole point of progress which was made was in connection with the possibility that a distribution of the IRO assets could be made between Jewish and non-Jewish refugees in some proportion other than 90 - 10. Warren apparently feels that some compromise might be worked out on an 80 - 20 basis. It will, however, be necessary to get the views of the Merchandising Advisory Committee on whether they would be willing to work on such a basis, and both Abba Schwartz and David Salbain who have worked with the Merchandising Committee are at present in Europe. I have written to Abba and asked him either to communicate

directly with Mr. Kramer of the Merchandising Advisory Committee or to authorize me to speak in his stead.

3. Moreover, Warren apparently feels that it might be necessary to redistribute the funds, ostensibly at least, between the JA and the JEC. He feels that the British would have fewer objections if the JEC got a larger proportion of the eventual funds. Warren has apparently suggested this to Mr. Leavitt and discussed the possibility of a re-allocation of funds between the JEC and the JA with subsequent adjustments being made by the two organizations in other transactions to bring the amounts back to what they would have been had the agreed 60 - 40 distribution been maintained. I understand that Mr. Leavitt indicated his dislike of any such procedure on the ground that it obviously sought to conceal an arrangement and that the net effect of it was at least an implied misrepresentation.

4. Mr. Warren has Mr. Blaustein's letter to answer and will try to make the answer as strong as possible to nail down the State Department position in such a way that it cannot retreat from that position, even at some time when Mr. Warren may not be around to make sure that there is no retreat. I feel that it might be desirable also to have a letter addressed to the State Department on the basis of the reply to which we might nail down the State Department position; and that it would be highly desirable to have such a letter addressed to the Department by someone like Senator Ives. I think it would be helpful if we could have such a letter from someone other than Senator Lehman or Congressman Javits or the other standbys. I should appreciate your letting me know whether it would be possible to approach Senator Ives on this matter and, if so, I should be glad to draft a letter for his signature.

5. Meanwhile, Dave Solbein is in Rome examining the looted property. If he is able to turn up evidence in the looted property itself clearly demonstrating its Jewish origin, the case which we are seeking to build up will obviously be much stronger.

I enclose two extra copies of this letter for your possible use.

Sincerely yours,

Seymour J. Rubin

AMERICAN JOINT DISTRIBUTION COMMITTEE

110, RUE SAINT-DOMINIQUE

TELEPHONE

EUROPEAN EXECUTIVE
COUNCIL

PARIS (7^e)

87-88

INVALIDES 87-85

79-87

CABLES & TELEGRAMS
JOINTFUND-PARIS

Handwritten notes and signatures:
F. H. ...
216 April 1950
G. I. & BERG
Rest

PERSONAL & CONFIDENTIAL

Mr. Moses A. Leavitt
270 Madison Avenue
New York City

Dear Mos:

Having just returned from Vienna, this is my first opportunity to sit down and dictate a few notes on the conference which we had with McCloy on April 10th. I suppose that by now you have heard something either directly or indirectly through Goldmann or Boukstein but I nevertheless think you ought to have my version.

Before going in to see McCloy we had a preliminary meeting in Goldmann's room and at that time it was decided to take Ben Ferencz with us. It proved to be a wise decision because some of the questions asked could be answered only by Ferencz with his intimate knowledge of the restitution question.

To our proposal for bulk settlement McCloy reacted most favorably. We pointed out to him that in this way approximately 50% of all the claims against German nationals or German institutions could be settled at one stroke because the claims for heirless property represented about one-half of all the claims presented although in financial terms the heirless property claims represent considerably less than one-half. Mr. McCloy then asked our estimate of what the heirless property claims would come to and we told him that while we did not have exact figures we did believe that between 100 and 125 million marks would be sufficient to cover all of the claims with a margin of error of about 10% or 15% either up or down. He did not seem at all frightened of this figure and did not even ask where the money was going to come from. This was contrary to all expectations since everybody was worried that that question would be asked and tried to come up prepared with a proper answer.

At that point McCloy asked whether it would not be possible to arrange for a bulk settlement inclusive of individual claims. I then told him that as representatives of JRSO we were authorized to speak only with regard to heirless property and that we had no mandate of any kind to represent individual claimants. His next question was: "Well, suppose the Germans come up with a proposal for inclusion of individual claims in a bulk settlement agreement?" My answer to that was that while we are not authorized to speak for individual claimants we would be glad to look into the matter if the Germans raised that question or made that suggestion. We thought that the Government of Israel would certainly be able to get authority to speak on behalf of individual

The Joint Distribution Committee receives its funds in the United States through the United Jewish Appeal, Outside of the United States, the Joint Distribution Committee has the active cooperation of the South African Jewish Appeal, United Jewish Relief Agencies, Canada, Central British Fund, Organizacion Central de Ayuda Judiva, Comite Auxiliar de Kinder Straas, United Jewish Overseas Relief Fund, Australia, Joint Relief Committee, Mexico, and others.

325866

claimants who are now Israeli citizens or residents. I told him that it would be much more difficult to get authorization on the part of any organization or group of organizations to speak for individual claimants in England, the United States, South America, etc., but that it might be possible to arrange for such authorization in a large number of such individual claims. However, we were not ready to do anything about it unless and until the German authorities or the American authorities insisted on an overall settlement. We had to be very diplomatic on that point because, as a matter of fact, the Israeli Government on its own has been putting out feelers to the Germans about a settlement of all claims including both heirless property and individual claims of Israeli citizens and residents and for that reason we were not able to make the outright statement that under no conditions could we undertake to discuss the settlement of individual claims.

At that point in the conference we raised the question of transfer and we indicated to Mr. McCloy that while it would be desirable from everybody's point of view to get a settlement of heirless property claims it would serve no useful purpose if the money could not be utilized for the immediate welfare of victims of Nazi persecution. In this connection we told him that we would be interested in making an arrangement whereby goods and supplies essential to the resettlement and rehabilitation of victims of Nazi persecution could be purchased for marks and exported from Germany to Israel and perhaps also to other countries. His response to that was that "It sounded like a very constructive idea." He then told us that he was meeting with the Minister Presidents of the Länder the next day and would discuss the matter with them indicating that he would recommend bulk settlement of claims at least on heirless property.

We then took up with him the question of equalization of burdens and on that point he reassured us that the law and regulations would be so amended as to give persecutees the same status as United Nations nationals. By a change of date also Israeli citizens would be included as United Nations nationals and, therefore, would be exempted from the equalization of burdens taxes. We then pointed out to him the peculiar position in connection with the JRSO and pointed out to him the importance of exempting JRSO from the provisions of the law. He seemed to be in complete accord and assured us that the necessary steps would be taken to correct that situation, and to exempt JRSO property from this tax.

We then dropped in to see Ben Bittenwaiser in order to keep him posted on those matters which we discussed with McCloy. Ben had very little to say about the question of bulk settlement which is completely outside his jurisdiction but registered a strong statement against the transfer proposals and the export of goods purchased for marks. He pointed out in the usual manner that there was motion picture money and other money blocked in Germany and that if an excision were made for JRSO it would be impossible to hold the line as far as others were concerned. We argued the matter with him at some length and tried to point out the difference between a business organization and JRSO which was dealing in heirless property whose owners were exterminated by the Nazis. I don't think we made too much of an impression on Ben but in the end he said, "Well, let's not argue about it because by the time you get your bulk settlement the provisions will probably be such that the transfer problem will not exist."

325867

In his opinion there will probably be a free money market in Germany by that time. With regard to the problem of equalization of burdens he assured us that we need have no worries on that subject, in fact the memorandum has already been drawn up which he thought would correct the present situation and would exempt persecutees as well as JRSC from the provisions of that act.

In connection with the general problem of JRSC, Goldmann suggested that I come to Israel in order to attend a meeting of the Jewish Agency, the Government, etc., to discuss this problem and also to determine once and for all the line of authority as far as the Jewish Agency is concerned. You are, of course, aware that the present situation is most unsatisfactory. Goldmann says one thing, Landauer another, and Kaplan has entirely different views. Poor Ben Ferencz does not know whose line to follow and what instructions to take as far as the Jewish Agency is concerned. To this proposal of a meeting in Jerusalem I told Goldmann that I am expecting to be in Israel towards the end of April anyhow and that I would be ready to attend such a meeting provided only that Ferencz would also be there. That meant, of course, that Ferencz would have to change his plans with regard to going to the United States on April 15th. He agreed to do this in the hope that such a meeting would lead to the clarification which is so urgently required.

We also discussed a number of other matters including the question of URO, but those are of minor importance and can wait for a future occasion. McCloy promised that he would have his office advise Ferencz regarding the results of his talk with the Minister Presidents the next day. Unfortunately, however, I have not yet had a chance to talk to Ben and find out whether he has heard anything regarding the outcome of that meeting.

Sincerely,


Joseph J. Schwartz

Personal and Confidential

April 5, 1950.

Dr. Joseph J. Schwartz
A.J.D.C.
Paris, France

Dear Joe:

Yesterday in Washington I saw George Warren who told us of the present status of the Italian loot. Edmunds, the British representative, has been adamant that none of that money is to go to the Reparations Fund, but to the general budget of IRO. The U.S. position has been that one cannot assign U.S. funds without Congressional appropriation and therefore by law the U.S. share of the loot would have to go back to the U.S. Treasury. Edmunds did not like that but nevertheless has refused to accept anything else. In a discussion George had with Edmunds and Kingsley while in Geneva, George suggested that perhaps the percentage arrangement between the Jewish and non-Jewish share might be revised in order to satisfy Edmunds who feels that this money ought to go to some of the other non-Jewish DPs. Edmunds jumped at that and said "Let's make it 50/50." George answered that that would be out of the question and he could not accept it. He told me what he had in mind was to go perhaps as low as 75/25 instead of 90/10. George said, however, that the problem is not that so much, but that the British Government feels they do not want the money to go to the Jewish Agency. They are prepared to have the JDC take it. Edmunds spoke of how well the JDC is organized, how clear and definite the reparation projects have been worked out, that he is satisfied with the JDC audit and that JDC is using the funds for the purpose they were given. However, he does not seem to feel that way about the Jewish Agency. George felt that, although Edmunds did not say so, by turning over the funds to the Jewish Agency, the Israeli Government was thereby relieved to that extent of using its own funds for immigrants and could use the equivalent amount of money to fight Great Britain.

George's personal proposal is that the U.S. suggest that 1) there be a distribution of the reparation share of 75/25 in favor of the Jewish organizations, if that is the best deal, although he would try to make it 80/20 if he could, and 2) these funds be turned over, in the main, not on the 80/20 arrangement between the JDC and JA, but perhaps on the basis of 75/25 or 80/20 in favor of the JDC, with a gentlemen's agreement between the JDC and JA that we would adjust the difference at a later time.

I told George I did not like the arrangement, but he pointed out that they are completely stymied if this drags on another year, when IRO goes out of business the High Commissioner as the successor agent may not be as sympathetic. The result may well

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be that all the funds would go to Italy and in any event, the million pounds in sterling notes which had been dangled before Britain as a bribe would probably also be returned to Great Britain and the Jewish organizations would be left in the cold. George said he had made the suggestion because he would like to see some funds go to the Jewish organizations. The total loot would come to about one million. Holbein is now in Rome trying to make an inventory without prejudice. You know that Ray Kramer of the Merchandising Committee has taken the position that the Committee would not concern itself with the liquidation of this loot unless he was assured that the funds would go to Reparations Funds and not to the general budget of IRO. If there is a million available, half will go to Italy for war orphans and the other half to Reparations Funds on a 75/25 basis which I said was the maximum concession we should make. That would mean about \$375,000 available for JEO and JA and whatever arrangements we make for getting these funds, we can of course work out with the JA later on.

Would you be good enough to discuss this with Mahum Goldmann when he comes to Paris and let me have your and his ideas as to whether we should proceed along those lines. George is very much concerned that unless we work out something like this, we won't get very far and apparently he feels a mistake had been made by offering Britain one million in sterling notes without having gotten an equivalent concession from Britain. The damage has however been done and England seems to be not too anxious to close the deal and is prepared to let it ride.

In connection with our talk today on Iraq, Burton Berry whom you may remember from Rumania, is now head of the Near East Division. He seems to be very friendly and anxious to be of help. However, in light of the messages received from the Baghdad Legation, the State Department is not prepared to press for a JEO or IRO representative to go in. I am enclosing a copy of the memorandum which Berry gave to me, giving the viewpoint of the Jewish Committee, some information from several Quakers who were in Baghdad and the views of the Iraqi Government. Berry feels that the only possible solution at the moment is an airlift from Iran and he is prepared to press Iran to say yes to it. The Iraqi Government is very much worried about having any obvious signs of the Jewish emigration out of Iraq since their own political position is rather shaky. The Opposition is likely to seize the leniency (?) to the Jews to attack the government and therefore they want the evacuation to be as inconspicuous as possible. The chances of a direct airlift from Baghdad to Lydda are indeed slim, but if anyone can work it out, Jim Hooten can. In any event, I asked Berry not to do anything until he heard from me again. Therefore, I would appreciate word from you whether you want me to press for the Iranian staging area or whether to hold off pending further developments. The problem of funds for this movement is not solved by any of these plans and I am looking forward to seeing your letter to Eddie about our budgetary position.

Sincerely yours,

MAL:JO
enc.

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REC. & INDEX

Reparations

March 31, 1950

Paris Letter No. 4463

To: Mr. Eli Rode - AJDC NEW YORK

From: AJDC PARIS

Re: Heirless Assets in Neutral Countries

Dear Eli:

I am enclosing two memoranda, one from Jimmy Rice summarizing a lengthy discussion which he and I had with Abba Schwartz and Adler-Rudel in Geneva, and the second being a copy of a memo I have submitted to Dr. Schwartz on the possible courses that can be pursued in connection with Swiss heirless assets. The latter memo was drafted after additional talks which included Moose Isenbergh.

In connection with Jimmy's summary on reparations there are a few additional comments for your information:

- (1) With respect to the Italian loot it is expected that Rolbean will spend the next few months on preparing an inventory not for purposes of evaluating the Italian loot but in order to derive evidence that the loot is in all respects similar to that obtained in Austria and Hungary, so as to overcome the British objections and show that the Italian loot is substantially of Jewish origin. If the evidence fails to be overwhelmingly persuasive, then, Abba points out, that the bargaining position will be weakened.
- (2) The liquidation of German property in Italy relates to the disposal provided for under the Final Act of Paris on Reparations and clearer indication of whether we will receive a participating interest in these is a long way off.
- (3) Balance of reparations from Switzerland. There have been further developments on this point. Abba saw Kingsley who agreed with Abba's recommendations to intervene with the Swiss and recommend the payment of the balance of reparations asked by the Three Powers to IJC. He also advised Kingsley to meet with us and tell us what he had in mind.

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Following/....

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Following this Adler-Rudel, Jimmy Rice and I met with Kingsley and Abba. Kingsley received verbatim Abba's recommendations saying that he was going to intervene within a week with the Swiss. I stated that we would greatly appreciate his handling the matter personally, and made clear to him that there were members on his staff in whom we had little confidence. He replied that he knew that and understood the justifications for our feelings and that he did intend to handle the matter personally, but if Abba was still around he would want to take Abba along.

Shortly after our meeting with Kingsley we received word through Abba that the U.S. Minister had prevailed upon the British and French to join in sending a follow up note to the Swiss and that the note was sent. Kingsley decided to immediately request an audience with the Swiss and plans to see them no later than the latter part of the week of April 3.

I talked again with Abba to make sure that he would accompany Kingsley, and he pointed out that it may be tactically bad because he is resented by Stucki, the Swiss Minister of Finance, as having been the responsible culprit for forcing the earlier payment of 20 million Swiss Francs. We believe that we shall have a fair indication by the latter part of next week on whether the Swiss are going to come across or turn down the requests.

- (4) 100 Million Escudos from Portugal. In our talk with Kingsley he provided additional information on this subject. He announced to us that he was planning in the near future to request an audience with Salazar for the purpose of requesting the 100 Million Escudos. He added that the funds were available in a special account and that he had received assurances that IRC would have first claim for these funds.

It would appear from what Abba has told us and Kingsley's attitude that the deal is fairly cut and dried and that Kingsley will be going through the formalities of seeking and receiving these funds.

- (5) Responsibility for Reparations from IRC. This is touched on in Jimmy's point (7). I raised the question with Abba as to who would be responsible under the Five Power Agreement upon IRC's closure, and whether we should take any action for dealing with this question. Abba informed us that the plan was to make Bill Cox the liquidation and closure officer of IRC when the agency discontinues its activities, and it is a reasonable assumption that the liquidation function would continue for at least a

year/...

The Joint Distribution Committee receives its funds in the United States through the United Jewish Appeal. Outside of the United States, the Joint Distribution Committee has the active cooperation of the South African Jewish Appeal, United Jewish Relief Agencies, Canada, Central British Fund, Organizacion Central de Ayuda, Argentina, Comites Auxiliares de Joint, Brazil, United Jewish Overseas Relief Funds, Australia, Joint Relief Committee, Mexico, and others.

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year beyond the discontinuance of activities. We all agreed then that the desirable thing would be for Bill Cox to inherit the IRO supervisory responsibility for reparations under the Five Power agreement. Further, since that discussion we learned informally that Michael Hacking is leaving IRO shortly and that Kingsley has agreed in discussions with Abba to transfer the reparations responsibility immediately to Bill Cox when Hacking goes.

Sincerely yours,

Jerome J. Jacobson
General Counsel

JJJ/mf

Encs.

cc: JJS

J. Rice

RECEIVED
March 30, 1950

Reparations

To: Dr. Joseph J. Schwartz
From: Jerome J. Jacobson
Re: Heirless Assets in Neutral Countries

Among the numerous items discussed in our meeting with Abba Schwartz and Adler-Rudai was the question of what further can be done to pursue the subject of heirless assets in neutral countries under the 5 Power Agreement. This question essentially relates to Switzerland inasmuch as the other neutral countries such as Sweden do not appear to have an appreciable amount of heirless property of victims of Nazi action.

In analyzing the problem the following factors should be taken into account. The Swiss Government negotiated an agreement with Poland on the nationalization of Swiss property in Poland, of which a secret exchange of notes would return to Poland the heirless assets of Polish origin found in Switzerland. Moreover, to avoid further discussion on these matters with the world Jewish organizations, the Swiss Ministry of Foreign Affairs has written the American Jewish Committee saying that the Jewish organizations should take up any further questions they may have with the Swiss Jewish communities whom the Swiss would inform on these matters. In other words, the Swiss politely refuse to deal directly with us on questions of heirless property. At this moment the Swiss are negotiating with the Czechs and it remains obscure whether a similar treatment of heirless assets is in the making though the Swiss Jewish communities are trying to obtain a clear statement from their Government.

Abba Schwartz reports that a reply from the Swiss to the U.S. note of protest on the recent agreement with Poland will shortly be delivered, in which the Swiss will justify the action they have taken but at the same time give assurances that the Polish treatment does not serve as a precedent. This will doubtless be an interesting strangulation of reason to see how on one hand the Polish action was the only legal and proper course whereas it is not necessarily applicable elsewhere. In any event, taking these facts into account I summarized the possible alternatives at our meeting as follows:

- (1) All out press attack on the Swiss. This tactic has been strenuously advocated by Dr. Blasenfeld in the past and he continues to renew it. His thesis is that the Swiss are sensitive to criticism and would yield to forceful public exposure. As I view it, and in this all others in the discussion are in accord, an all out press attack or even a mild one may serve to give vent to our indignation but cannot be counted on to achieve anything. If we consider all doors closed and the cause finally

lost/....

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lest we may wish to voice our contempt and expose the immorality of the Swiss Government. On the other hand we fear that a press attack on the Swiss now coming from the world Jewish organizations would only serve to jeopardize the efforts under way to have the Swiss advance 17-plus million Francs as the balance of reparations funds allotted by the Allies. As you know, the Swiss are not obliged to advance these funds as requested but are requested to make them available from the proceeds of liquidation of ex-German property. If they wish to be retaliatory to an adverse attack they may delay this matter indefinitely. Moreover, there is no evidence to support the Bienenfeld thesis of the value of press attack. A well stated and documented story was published by Mike Hoffman in the New York Times and numerous critical arguments have emanated from sources in the Swiss Jewish community. This failed to produce any evident concern to the Government nor embarrass it in the Swiss Parliament. On the contrary, it only produced an involved legalistic defense and justification from the Swiss Government, and they have gone ahead with their arrangements.

- (2) Renewed representations by the Allied Powers, principally the U.S. Another alternative might be to approach the U.S. with the request to renew or intensify its representations to the Swiss to accept the recommendations of the Final Act of Paris and the 5 Power Agreement. There may also be variations of this proposal, such as seeking three power notes. However, this proposal offers little hope or promise. Firstly, it is doubted that any new and vigorous representations could be elicited from the U.S. The change of personnel in the U.S. and the passage of time has resulted in a weakening of interest in the problem. Secondly, the U.S. is not in a very good position to press the 5 Power Agreement upon the Swiss. As you know, that Agreement has no binding effect upon the Swiss and is only advisory, with the Swiss clearly free to accept or refuse the advice. Yet none of the three Powers in question can press the Swiss with clean hands. Not one of them has treated heirless property of Nazi victim origin in the manner they would urge on the Swiss, though nearly four years have passed since the 5 Power Accord. The U.S. Amendment to the Trading with the Enemy Act is now in jeopardy of never materializing, and from developments in Congress one can only view the prospect with pessimism. France has done nothing to cope with the question and its record is even disgraceful in Germany. The U.S. recently defeated overwhelmingly a proposal to make heirless property of victims available to successor organizations. Thirdly, there is no reason to expect that the U.S. would make any representation to the Swiss a matter of crucial importance affecting U.S.-Swiss relations. This is self evident to all. Hence, the alternative of seeking renewed Allied pressure offers dubious prospects for success.
- (3) IRO Representations. Another alternative would be to seek strong representations from IRO to the Swiss on grounds of being an interested party. While the Swiss would not deny IRO an audience on the question,

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the course does not offer any brighter promise. One cannot assume any more strenuous interest by IRO than on the part of its principal member governments. Moreover, substantial internal resistance to the objectives exist in IRO on the part of influential officials who are opposed to seeing Jewish gains and who would struggle to sabotage or neutralize IRO efforts. We have compelling evidence of this in the note sent on the Swiss-Polish Accord, which due to Mr. Hacking's draft was a very much watered down presentation from the valid and more cogent draft submitted by Isenbergh to Kingsley. It is true that this came at a time when Kingsley was incapacitated.

- (4) Seeking an alternative share out of reparations. The alternative has been suggested of making representations to the I.A.R.A. Council (under the Final Act of Paris) or to the three Powers under the 5 Power Agreement for a compensatory share to be re-allocated out of reparations. The argument would take substantially these lines: The Allies intended to make available certain assets for the rehabilitation and resettlement of victims of Nazi action; this intention must evidently have been substantive based upon reasonable assumptions that the assets would be forthcoming and cannot have been intended solely as a gesture; the assets have failed to materialize due to the unanticipated lack of cooperation on the part of the neutrals, particularly Switzerland; hence, to make genuinely effective the intentions and objectives of the Allies, the subject should be reconsidered and the victims admitted to an equivalent share to be provided out of reparations of German assets. This would obviously necessitate a re-allocation of reparation shares. This proposal would have little chance of success. Firstly, it would require some or all of the eighteen governments to yield a portion of their reparations entitlements. In view of the losses suffered by the various governments in the war one cannot assume any will be very willing to waive a portion of their reparations. Secondly, the reparations (apart from monetary gold which is dealt with separately) are in the form of plants, materials, etc. and would prove difficult and probably impractical as a substitute for cash. Thirdly, the governments would probably argue that they never guaranteed anything in Article 8, but merely made the opportunity available if anything could be derived; and in any event the special set aside has yielded relatively more than they, the governments, have so far seen from reparations. Finally, they would certainly argue that this proposal shifts the burden from the Germans to themselves, since it is their meager reparations (which do not reflect their war losses) which are asked to make the contribution. Moreover, it is difficult to see which governments, if any, would be willing to take the initiative in support of this proposal.
- (5) Claims to be taken into consideration under the Treaty of Peace with Germany. Another possible place at which to raise the claim of indemnity in view of the failure of funds to materialize from the neutral countries under the 5 Power Agreement and its paramount agreement will be at the final Peace Treaty with Germany. Jewish interests will, of course, have to raise a number of indemnity problems which in addition to this would

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includes Jewish losses not covered by the restitution and indemnity laws. This alternative is in any event too remote. There is no present indication of 4 power peace negotiations with Germany, nor even 3 power negotiations, and there is even some official discussion of developing a state of Peace by the 3 Western powers with Germany as a fait accompli. Hence, we would have to wait too long a time to see an approach raised in this direction and also run the risk of discouragement from the Allies themselves who in the light of their own contributions to western Germany would tend to oppose further indemnities. Moreover, a great deal of preparatory work must be done to develop general indemnity claims against Germany.

- (6) Reimbursement from Monetary Gold. Another source from which the shortfall of resources out of neutral countries might be sought may be monetary gold. I believe there is one remote possibility here, though in general the monetary gold funds cannot be looked to for funding our claims. Under the Final Act of Paris on Reparations, Parts I and II dealt with reparations, its shares (excluding monetary gold) and the setting up of I.A.R.A. to administer the reparations. Monetary gold was dealt with under Part III, and the U.S., U.K. and France designated to take custody of all monetary gold looted or improperly taken by the Germans from other countries, and devise distributive shares for all of the claiming countries. As a general matter then, the same objections which are noted in connection with seeking a share out of reparations would doubtless be voiced by the various governments if we sought an indemnity out of monetary gold. In fact their protest would probably be sharper since all covet the gold more than dismantled German plants. The only possible exception for which we may gain the consideration and support of the three Western Allies would be in regard to Poland's share. In July, 1949, the three powers concluded an agreement with Poland admitting her to a share of monetary gold. Unfortunately to our viewpoint Poland did not approve the entire Final Act of Paris, in which case it could be more strenuously argued that Poland was by her agreement bound to the provisions of Article 8 and stepped from claiming hairless assets of Polish origin from Switzerland. In any event, an approach could be made to the Allies that Poland claimed and received agreement from Switzerland to receive hairless assets of Nazi victims of Polish origin. This was contrary to the views of the 15 powers subscribing to the Final Act of Paris and the 5 Powers in the Agreement of June 1946. Hence, Poland has disregarded the principles of international morality and equity to which the various powers agreed. In fact the same three powers filed objections with the Swiss in connection with the Polish-Swiss Accord of 1949. It may therefore be argued that the Allies should withhold from the Poles a portion of Poland's entitlement to monetary gold equal to the hairless property to be recovered from Switzerland. The justification would be simply that if Poland wishes to benefit from the international agreement of the Allies and to have them pay to Poland a portion of the booty of war which they recover in reimbursement of Poland's losses at the hands of Germany, then Poland should at the same time give recognition to other principles of international morality and equity adopted by the Powers and laid down in Article 8 of the Final Act. The relationships

between the Allied powers and Poland today are such as you know as to find a possibly favourable reaction to this approach. In any event, I outlined this suggestion in our recent talks with Abba Schwartz, and he agreed it was a novel approach which had not been thought of and may find sympathy in the State Department. He has agreed to explore the subject upon his return to Washington.

- (7) Intervention with Switzerland by Israel. Elimination of the various alternatives reviewed leaves this one remaining approach as the only immediate and practical step that can and should be taken to obtain heirless assets of Jewish victims from Switzerland. There is no doubt that Israel may establish its interest in the problem. The fact that so large a number of the surviving victims are now the responsibility of the Israel Government enables the Government to raise the issue with the Swiss. Further, trade relations between the two countries, whatever they are worth today, nonetheless requires the Swiss to give consideration to discussions with Israel which we cannot compel as private organizations. We cannot even press Swiss discussions with us. Israel can argue on humanitarian grounds and may even allude to the principles which other nations thought applicable (the Final Act and Five Power Agreement) without trying to stress that these are binding upon Switzerland. The Swiss have resented such allusion in the past. There are certain shortcomings to this approach which we must recognize even though we find this the only suitable course.

Israel cannot claim all the Jewish heirless assets since she cannot point to all of the surviving Jewish victims as her responsibility. Hence, she will have to bargain for less than the total involved.

Secondly, the Israel internal views as I find them expressed in internal documents and official actions do not appear entirely compatible with JDC interests, or for that matter JAFF interests and require clarification before we should seek to activate this alternative. In Sections 12 and 13 of an internal legal memo of the Legal Section of the Israel Ministry of Foreign Affairs (11 Oct. 1949) the effort is made to spell out the Israel Government as the sole appropriate claimant to heirless assets of Jewish German victims in Switzerland. Hence one finds such statements as the following:

"Moreover, it appears not to be the Five Power Agreement but merely some correspondence thereunder in which the JDC and JAFF were designated as appropriate Jewish field organizations..... There appears to be nothing preventing the State of Israel to be recognized as 'appropriate field organization'".

It is not intended to impute a desire on the part of the Israeli Government to substitute their interests for those of the JDC and JAFF. On the contrary, the suggestion is made in the memo of working out an arrangement concerning the interests of the two agencies. However, the memo points up the need to find a harmonious arrangement on the basis of which the Israeli Government should undertake diplomatic representations.

Thirdly/....

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Thirdly, it would be desirable to have some consultation on the lines of argument to be assumed under Israeli intervention. Thus far they have made one démarche through a consulate in Switzerland, and I am informed this discussion has been diverted into the sphere of permitting former Polish heirs in Israel to claim the property of their deceased relatives. Moreover, the JDC and JAFF as well as other organizations have had a considerable experience and background in Swiss negotiations which should not be lost in formulating a course of action by avoiding consultation.

- (7) I have discussed the various points above at length with Abba Schwartz, Adler-Rudel and Max Isenbergh. We are all agreed that the Israeli intervention proposal is the only course open to us. I have stated my agreement in principle but added that the problem should be subject to prior discussions between the Israeli Government, JAFF and JDC settling the distribution of any proceeds and consultation on the lines of intervention. Adler-Rudel takes the position that we jointly, the JAFF and JDC, should as the next step approach the Israeli Government with the request that they intervene with the Swiss. He argues there will be no difficulty in reaching a formula for proceeds distribution, but that whether justified or not the attitude of the Government would be to resent the suggestion of consultation. I would recommend that you discuss this entire subject with Goldman and Boukstein when they arrive, and also with Adler-Rudel when he returns to Paris in about a week.

Jerome J. Jacobsen

JJJ/ME

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COPY
Confidential

Geneva, March 27, 1950

To: Dr. Joseph J. Schwartz - AJDC PARIS
From: Mr. James P. Rice - AJDC GENEVA
Re: Reparations

The following is a resume of the discussion with Abba Schwartz in which Mr. Jacobson, Mr. Adler-Rudel and myself participated.

1. Italian Loot. David Rolbein is coming to Italy to inspect the loot in order to determine whether it is in fact largely of Jewish origin. If this can be established by Rolbein's examination, it is expected that the agreement to divide up the proceeds 50/50 between reparations and Italian war orphans, will be carried out with 90% of the 50% for the Jewish organizations and 10% for the non-Jewish. If Rolbein's examination indicates that it is not clear whether the loot is substantially of Jewish origin some other formula for dividing the reparations share of the 50% will be worked out such as 80/20 or 75/25. Abba is very hopeful that the British will be coming around to the U.S. point of view and will not block the 50% for the reparations.
2. Liquidation of German property in Italy. You are probably aware of the fact that German property in Italy is being slowly liquidated for which Italian lira is received. USA is one of the 18 nations which participated in the Brussels agreement for dividing up the proceeds of this liquidation lira. The USA share is 28%. Since it is the policy of the U.S. not to keep for itself such funds, Abba feels that there is a good chance that 50% of the US 28% can be obtained for the reparations. Unfortunately, it is not clear whether the State Department could make such a decision without presenting the matter to Congress in which case there would probably be strong congressional objections. In any case, any possibility of proceeds from this source is many months away.
3. 17,200,000 Fr. from Switzerland. The position at the present time is that Minister Stucki has not turned down the request but claims that he is encountering some unexpected internal difficulties because one of the prominent persons of the Swiss Parliament, Mr. Duttweiler, has been raising the question of compensation to Swiss citizens who suffered financial losses in Germany as a result of the war.

Last week, the U.S. Legation received instructions from the State Department to send a second note to follow up on the first note. Our Minister, Mr. Vincent, will probably try to get the French and the British to send similar notes without referring the matter to London or Paris respectively which might cause further complications and delays.

Abba is going to discuss the matter with Kingsley to suggest that IRO make a demarche with the Swiss, asking that the payment be made to reparations funds.

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Abba feels that such a note would carry considerable weight in convincing the Swiss to make a favourable decision. He points out that it is extremely important that there should be no "leaks" to the Swiss about these plans as this might seriously affect their position. For this reason, he intends to make clear to Mr. Kingsley that the IRO demarche should be made by Mr. Kingsley himself and not by his reparations staff. - particularly in view of the way they bungled the heirless assets letter. We shall try to see Kingsley after Abba has seen him to drive this home.

4. 100,000,000 escudos from Portugal. Abba reports that in a couple of months this question will be reactivated. IRO will be asked to make a demarche and the help of the Vatican will be enlisted. In respect to Portugal, he does not think it wise for the Jewish organisations to make any representations to the Government. As you know, the payment of the 100,000,000 Portugese escudos which totals approximately \$4,000,000 together with the first Swiss payment and the hoped for second payment and the previous Swedish kroner payment will bring the total up to the figure of \$25,000,000.

5. Heirless Assets. Abba reports that the American Legation expects to answer soon to their note on this matter. In any case, it seems to be fairly well established that the recently concluded trade agreement between Czechoslovakia and Switzerland did not contain clauses similar to those in the Polish-Swiss Accords. The question of the tactics of the Jewish organisations in following up these matters was thoroughly discussed. It was agreed that little could be gained by commencing a press campaign. Not a great deal could be hoped for by applying continued pressure from the Allies since none of the three governments has yet passed a law under which heirless assets might be turned over to reparations. In fact, according to Abba, as far as the U.S. is concerned, it now appears extremely doubtful that we can expect favourable congressional action on such legislation.

In this connection we discussed briefly the action taken or contemplated by other European countries on heirless assets.

In Sweden, there appears to be a feeble possibility that something may be done; although the Swedes claim that there are practically no assets in that country, reports from the Jewish organisations tend to confirm this. In Sweden, only a royal proclamation would be necessary for favourable action on heirless assets. This might be useful even though the actual amounts involved are very small, to use as a precedent to Switzerland since these two countries as the two big neutrals, frequently follow one another's lead in such matters. Abba suggested that Si Rubin might follow up on this matter with Mr. Sandstrom, the responsible Swedish official with whom he has a good contact.

In Holland, the Minister of Finance and the Prime Minister are promising to draft a legislation on which some action may be taken by September.

In England, an amendment to the Trading with the Enemy Act introduced by Mr. Janner was overwhelmingly defeated by the Labour Party, so there seems to be no hope on favourable action from Parliament.

In Spain and Portugal, there has been no action and apparently no demarches.

In Belgium, there has been no action.

In Italy, this is a matter of Treaty provisions.

In Yugoslavia, there has been no action, but again as a precedent which might be pointed out to the Swiss, it would be advantageous to ask that steps be taken. This will be discussed with Fred White, in view of his knowledge of the situation in Yugoslavia and his good contacts with the Government.

The final conclusion of our discussion was that the best way of keeping the issue alive with the Swiss would be for the Government of Israel to make representations as the representative of one of the largest group of surviving Jews. We understand that the internal memorandum prepared on this subject by the Legal Department of the Israeli Government was not very satisfactory because it actually argued against the Five Power agreement by stating that no appropriate organism existed for handling the proceeds of heirless assets. If the Jewish organisations should agree to let the Israeli Government take the lead in this matter, it would be necessary to plan very carefully with the Israel Legal Department.

6. Industrial Diamonds in Germany. Abba thinks that Eddie Warburg should write a note on this to Mr. McCloy to try to get a favourable decision.

7. Reparations. We discussed briefly with Abba the question of responsibility for reparations after IRO goes out of business in March 1951. It was Abba's suggestion that it will probably be best to let IRO maintain its responsibility until they are finally liquidated which will take many months after March 1951. There is also the possibility that responsibility for reparations could be turned over to the High Commissioner who will take office in January 1951. But this would depend very much on who the High Commissioner is and the nature of his staff.

James P. Rice

RUBIN AND SCHWARTZ
ATTORNEYS AT LAW

SEYMOUR J. RUBIN
ABBA P. SCHWARTZ

PHONE: REPUBLIC 6504
CABLE ADDRESS: RUBINLEX

1522 JEFFERSON PLACE, N.W.
WASHINGTON 6, D.C.

March 16, 1950

Mr. Eli Rock
Joint Distribution Committee, Inc.
270 Madison Avenue
New York 16, New York

Dear Eli:

RE: Your Memorandum of March 15th
Italian Loot

The British have indeed brought up once more the suggestion that the IRO 50% of the Italian loot go into IRO general funds. The State Department beat them down once on this, and is fighting off the renewed effort of the British. At last report, the British were prepared to "concede" that the funds might be used for all Nazi persecutees - but not merely the categories of the Paris Five Power Agreement.

Warren is now battling this out with Edmunds, the British IRO man, in Geneva, while State takes the same line here. Abba Schwartz has been asked to come immediately to Geneva on this matter. So I am hopeful that it will be settled favorably and soon.

I also drafted a letter for Mr. Blaustein's signature on this, to Mr. Acheson. This is just to strengthen the State Department in its position.

Sincerely,


Seymour J. Rubin

17312

325883

RUBIN AND SCHWARTZ
ATTORNEYS AT LAW

SEYMOUR J. RUBIN
ABBA P. SCHWARTZ

PHONE: REPUBLIC 0804
CABLE ADDRESS: RUBINLXX

322 JEFFERSON PLACE, N.W.
WASHINGTON 6, D. C.

January 26, 1950

Mr. Eli Rock
Joint Distribution Committee, Inc.
270 Madison Avenue
New York, New York

Dear Eli:

Re: Looted Property in Italy and the
Problem of Distributing the Proceeds.

The IRO people have been conducting extensive discussions with the State Department relative to the technical question of getting the property away from the United States and the United Kingdom and into the hand of the IRO. A variety of technical and harassing details have been raised by some of the people in the Department with whom you are familiar, such as Eli Maurer, who always seems to have a new legal problem when the previous one has been settled. In the course of these laborious discussions, the problem of distribution has been raised. It was suggested by George Warren that the entirety of the proceeds be used in accordance with the procedures set up in the Paris Agreement. Warren argued that the 10% which has been set aside for non-Jewish refugees has not been fully utilized in the past and that there would be no point in adding to that particular fund. He suggested, therefore, that the full proceeds be devoted to the JDC and the Jewish Agency.

It is my understanding that there was considerable discussion at this point as to why the proceeds should not be distributed into general IRO funds, but that the outcome was a decision that the proceeds would be administered either in accordance with the 90-10 agreement or along the lines suggested by Warren. It therefore would seem fairly well settled - subject to vagaries, the perils of which you know - that the Jewish agencies will receive either 90% or more of whatever proceeds accrue from the sale of the looted property.

Sincerely yours,


Seymour J. Rubin

cc: Dr. Hevesi

325884

AMERICAN JOINT DISTRIBUTION COMMITTEE

119, RUE SAINT-DOMINIQUE
PARIS (7^e)

TELEPHONE
87-83
87-65
79-37

EUROPEAN EXECUTIVE
COUNCIL

CABLES & TELEGRAMS
JOINTFUND-PARIS

Paris Letter N°. 3704

December 12, 1949.

To: AJJDC, New York - Attention Mr. Eli Rock
From: AJJDC, Paris - General Counsel
Re: Looted Assets in Italy.

Italy
Ross

I have nothing to add to the information contained in your letter N° 3018 of November 16, 1949, except to point out that the estimates of the value of the assets found in Italy have been variously put from one million to eight million dollars. Actually none of this can be considered reliable and I assume that the closest one will be able to come to a sound guess will be derived when the IRO liquidation committee in New York has an opportunity to examine the detailed inventory.

I would make one suggestion, namely that the U.S. be requested at the time it works out the deal with IRO and the other interested governments should make explicit that IRO utilize the portion turned over to it in accordance with the 90/10% feature of the Five Power Agreement. I fear that unless this is nailed down tightly, there are too many people around Geneva who would undertake to justify that these funds do not come within the text of the Five Power Agreement and should be used otherwise. Kingsley himself who is interested in marshalling all of the dollars that he can for hard-core activities may also prove receptive to such arguments especially to utilize these assets as a means of releasing dollars from the Israel migration budget.

Jerome J. Jacobson
Jerome J. Jacobson
General Counsel

JJJ:ele.

Italy
Reas.
November 22, 1949

Maurice N. Bankstein, Esq.
150 Broadway
New York, New York

Re: Looted Property in Italy

Dear Maurice:

I assume that you are familiar with the question of looted assets which were recovered by the American Army in Italy and which have been resting in a bank vault in Rome. I assume further that you are aware of the attempts which by Italia has been making the past year to get at least some of these assets turned over to the IRE to be distributed in the same way as the non-monetary gold and other reparations funds.

Within the last few weeks, while you were in Europe, further information has been received by us from the Committee, and I am now sending you attached copies of the various confidential memoranda involved. I shall be happy to discuss the matter with you as soon as you have had a chance to read these memoranda.

Sincerely yours,

Eli Root

ER:AS
Enc.

325886



THE

AMERICAN JEWISH COMMITTEE

386 FOURTH AVENUE, NEW YORK 16, N. Y. Cable Address, "WISHCOM, NEW YORK"

Telephone MURRAY HILL 5-0181

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FRANK L. SULZBERGER, *Chicago, Vice-President*

November 21, 1949

Italy

Res

Dear Sir:

Attached please find for your own confidential use copies of two internal AJC reports, one on looted property in Italy and the other on the question of the Swiss advance payment. I am also enclosing copy of a cable I sent to our Paris Office today.

Sincerely,

Eugene
Eugene Hayes

Mr. Eli Rock
American Joint Distribution Committee
270 Madison Avenue
New York 16, N.Y.

El:rs
Encs.

1542

in

325887

THE AMERICAN JEWISH COMMITTEE
NEW YORK, N.Y.

MEMORANDUM

TO: Dr. John Slawson

November 21, 1949

FROM: Eugene Hevesi

SUBJECT: Looted Property in Italy

Our project initiated by Mr. Rubin with respect to utilization of the proceeds of the looted property in Italy has worked out successfully.

In view of the strong advice of certain friends of Rubin in the State Department that it would be best to work this matter out via the IRO, he discussed the entire matter with Abba Schwartz and arranged for him to see the interested people in the State Department on November 14. As a result of these discussions, it was indicated that the State Department will send appropriate instructions to the American Embassy in Rome. On the basis of these instructions the currencies available among the loot will be distributed primarily to the British and to a certain extent to other issuing countries. Physical properties will be turned over to the IRO, to be taken possession of in Rome and to be transported to New York for resale in the manner previously utilized. The IRO will probably work out a fairly carefully worded agreement with the State Department in view of the fact that in this particular case it will be acting in effect as liquidating trustee in connection with the 50% interest in the proceeds of the Italian war orphans. IRO will also wish to work out detailed provisions with respect to possible restitution of any objects which might become identifiable.

Two other aspects of this problem assume some importance. As you know, IRO is supposedly entitled only to "non-monetary gold." However, it appears that there is among the property a fairly considerable amount of United States currency. It is hoped that the United States Treasury and State Department will be able to agree that these funds should not be turned in to the Treasury but should be made available to the IRO, on the ground that the United States Treasury would not wish to benefit from the proceeds of looted property.

Secondly, it appears that there are considerable numbers of coins among the property listed in the inventory. Mr. Schwartz has argued that although strictly monetary coins probably cannot under present directives be turned over to the IRO, most of these coins may well have numismatic value. It is hoped that favorable action will be taken on this aspect of the matter and that the IRO will be given an opportunity to inventory the coins, to determine which have numismatic value and to take possession of those.

It was indicated to Rubin in the State Department that the time schedule will probably be a fairly quick one so far as this matter is concerned. If it works out and if the value indicated by the State Department is accurate, we will, almost entirely through AIC efforts, have acquired a fund of something in the neighborhood of \$1,000,000 for refugee and similar purposes.

325888

The period between the inception and the now near completion of this project has perhaps at times seemed unduly long. It must be remembered, however, that this project is one which was entirely initiated by us, that we had to pass through the successive hurdles of convincing the United States Army that the property in question was not war booty and then of convincing the State Department and the Embassy in Rome that their acceptance of the proposed distribution was desirable. We also had to overcome a previous Embassy recommendation that the entire proceeds of this property should be turned over to Italian war orphans; and we had to arrange the matter in such a way that the property would be liquidated in New York, making dollars available from the proceeds. Considering the fact that we were not riding on the coattails of the governmental program but were formulating governmental policy - and in several aspects of the matter, opposing previously formulated governmental policy - I think that it can justly be said that the time and effort spent on this project have produced fairly satisfactory results.

I also call your attention to the attached memo by Rubin to Isenbergh which indicates that Rubin has also been successful in working out, with State Department support, British adherence to an immediate three-power request for another advance of 17½ million Swiss Francs by Switzerland from German assets there.

EH:rs

Att.

cc: Mr. Isenbergh
Mr. Wolfson
Mr. Mack

Handwritten signature
Keep

November 16, 1949

Seymour J. Rubin, Esq.
1822 Jefferson Place, N.W.
Washington 6, D. C.

Dear Sir:

This will acknowledge your note of November 11, 1949, giving me additional information on the looted property in Italy. I did not call you on Monday because, for the time being at least, your letter answers the questions which were bothering me. For one thing, I had gotten the impression that the IRO would have to take its share in lira, and this made no sense at all. There were other questions revolving around the necessity for returning all of the pound sterling to the British, particularly if some of this might have belonged to the Jews, and also questions in connection with the necessity for a 50% split with the Italians. However, I believe I understand the considerations which operated to weaken the position of the IRO (and the Jewish organizations) in this situation.

In any case, thanks loads for the information, and we look forward to hearing from you or Gene as further developments take place.

Sincerely yours,

Eli Root

ERT:AO

325890

*Hal
Rice*

November 16, 1949

Letter No. 3018

To: AJDC PARIS - Attention Mr. Jerome J. Jacobson

From: AJDC NEW YORK

Re: Looted Assets in Bank of Italy

I assume that you are generally familiar with the question of the "non-monetary gold" located in the vaults of the Bank of Italy and that you have been in touch with Moose Isenbergh on the matter. In any case, I am sending you attached two recent memoranda which I have prepared, summarizing recent developments which have been called to our attention here. I would appreciate receiving from you any news which you may have picked up on your side of the ocean in this connection.

Eli Roak
Counsel, AJDC

WR:AU
Enc.

325891

RUBIN AND SCHWARTZ
ATTORNEYS AT LAW

PHONE: REPUBLIC 6504
CABLE ADDRESS: RUBINLEX

SEYMOUR J. RUBIN
ABBA P. SCHWARTZ

1822 JEFFERSON PLACE, N.W.
WASHINGTON, D.C.

November 11, 1949

Mr. Eli Rock
Joint Distribution Committee
270 Madison Ave.
New York, N.Y.

NOV 14 1949

Dear Eli,

Eugene tells me that you have some questions with respect to the looted property in the vaults of the Bank of Italy. I'd suggest that you give me a ring at your convenience on Monday, and we can talk it over then. [The basic reason for State's reluctance to spread the information on this widely is its preference for putting this deal in the context of relations with IRO rather than with the Jewish agencies concerned. The reasons back of this reason are somewhat difficult to trace; but they exist.

The basic fact is that the property in question was captured from the Germans by the Fifth Army; it is in the Bank of Italy, under the joint custodianship of the British and American Embassies. The deal is to return about one million pounds sterling, much of which may be counterfeit, to the British, in effect to buy their release of the remainder; and to turn the rest over to IRO, to be liquidated in New York or elsewhere, as with other non-monetary "gold". The proceeds would be split between IRO and an organization handling Italian war orphans. The amount involved is indeterminate.]

Sincerely,


Seymour J. Rubin

325892

MEMORANDUM

From Eli Rock

To Moses A. Leavitt

New York

November 2, 1945

1945

Subject Italian Non-Monetary Gold

It will be recalled that sometime ago we were informed of a collection of assets resembling "non-monetary gold" which were located in a sealed vault in Rome. It seems that this property was recovered by the American Army in Italy and placed in the vault by joint action of the Americans and the British. It will also be recalled that the State Department had at first been inclined simply to turn these assets over to the Italian government, as a gift, but that Sy Rubin of the American Jewish Committee had intervened with the Department on the grounds that these assets came under the scope of the agreement reached at the Paris Conference on Reparations, and should therefore be turned over to the IRO. Actually, there may be some question on the latter score, since at least part of the assets bear Nazi inscriptions, etc.

I have now been informed confidentially that the State Department is prepared to recommend to the British that, with the exception of a certain sum of British pound currency which is included in the assets and which will be turned back to the British government, the remainder will be divided equally between the Italian government and the IRO. The share going to the Italian government would be used for Italian children projects and the remaining share would presumably be appropriated by the IRO in the same fashion as the Hungarian Gold Train assets. There is also some indication, although this is not clear, that these assets will ultimately have to be paid over in the form of Italian lira. The total value of the collection is estimated to be worth approximately one and a half million dollars.

The above information regarding this latest approach of the State Department is extremely confidential. I shall attempt to obtain further information within the near future, which I shall bring to your attention promptly.

ER:AU

cc. EUM

MSL

Eli Rock

325893

Isak
Reparations

November 8, 1949

Dr. Eugene Novasi
American Jewish Committee
316 Fourth Avenue
New York, New York

Dear Gene:

On further reflection it occurs to me that our people here will probably want to get some further clarification on the "Italian Gold Train" assets. I would particularly like to have for Mr. Leavitt, by the time he returns, some clarification as to those questions which I raised in our telephone conversation and which are still unclear. Do you think it would be possible for me to telephone Mr. Rubin in this matter, or would it be preferable to wait until he next gets to New York. Perhaps, if you are talking to him in the near future, you could get this further clarification for us.

I shall be most grateful for your assistance in this matter.

Sincerely yours,

Bill Book

EB:AU

325894

AMERICAN JOINT DISTRIBUTION COMMITTEE

119, RUE SAINT-DOMINIQUE

TELEPHONE

EUROPEAN EXECUTIVE
COUNCIL

PARIS (7^e)

87-83

87-85

79-37

INVALIDES
CABLES & TELEGRAMS
FOURTEEN, PARIS

GEN. & EMERG. *Jelly*

Rest

PARIS LETTER NO. 2582

March 21, 1949

To: AJDC NEW YORK - Attention Mr. Eli Rock

From: AJDC PARIS - Office of General Counsel

Dear Eli:

In connection with the report you received concerning IRO's application to the State Department for turn over of non-monetary gold and other assets found in Italy by the U.S. Fifth Army, it occurred to me that we should support the application conditionally, i.e. if the State Department should take the position in making available the assets to IRO that all the terms and conditions of the Reparations Agreement apply to any assets given to IRO. In other words, we want to be sure that the United States would hold IRO to the commitment that 90% of those assets be used for the benefit of Jewish displaced persons and refugees. This would certainly be in order since Tuck has presented his claims on the basis of extending the scope of the Reparations Talks.

Best regards,

Sincerely yours,

Jerome Jacobson
Jerome J. Jacobson
General Counsel

JJJ/hf

18721
rh

The Joint Distribution Committee receives its funds in the United States through the United Jewish Appeal. Outside of the United States the Joint Distribution Committee has the active cooperation of the South African Jewish Appeal; the United Jewish Refugee & War Relief Agencies, Canada; the Central British Fund; the Junta de Ayuda pro Victimas de la Guerra, Argentina; United Jewish Overseas Relief Fund, Australia; Compania Unida Reconstruccion Ayuda, Mexico, and others

325895

GEN. & EMERGENCY
Italy
Rabin

10 March, 1949

CONFIDENTIAL

Dr. Eugene Hovesi
The American Jewish Committee
386 Fourth Avenue
New York, N.Y.

Re: Italy - Looted Property

Dear Eugene:

I have learned through a friendly source that the Department of State has come to the conclusion that, as a legal matter, the property in the vaults of Italy cannot be classified as war booty. This decision still has to clear in the State Department, but the persons who are really interested are almost certain to be in favor of this view. It remains to be seen whether the Army will accept this view or will contest it, in which case an opinion of the Attorney General may be sought by State and Army.

We are still a substantial distance away from this property, but I think have gotten over one very important hurdle. Incidentally, I am informed also that the Department will be favorable toward disposition of at least a part of this looted property in the manner used to dispose of "non-monetary gold"; that is to be turned over to IRO and sold for relief purposes in the same manner as the property which has recently been disposed of in New York. However, in view of the uncertain origins of some of this property, it probably will be necessary to turn over part of it to the Italian Government, presumably for relief operations within Italy. I understand that the Italians have themselves made a few proposals of a tentative nature.

Sincerely,

Seymour J. Rabin

cc: Mr. Isenbergh
Mr. Wolfson

325896

COPY

THE AMERICAN JEWISH COMMITTEE
386 FOURTH AVENUE NEW YORK NY

GEN. & EMERG.

Italy Rest

February 14, 1949

Dear Mr. Leavitt:

Dr. Slawson is about to send you a copy of Mr. Seymour Rubin's summary of his activities since November 1, 1948.

In connection with that report, I am sending you enclosed a letter by the Director General of IRO to the Secretary of State, urgent the release of deposits of looted property in Italy to the IRO.

Very sincerely yours,

/s/ Eugene Hevesi

Mr. Moses Leavitt,
Executive Vice President
American Joint Distribution Committee
270 Madison Avenue
New York 16, N.Y.

EH:rs
Enc.

325897

JAN 31 1949

MAD
EMT
ER



THE

AMERICAN JEWISH COMMITTEE

386 FOURTH AVENUE, NEW YORK 16, N. Y. Cable Address, "WISHCOM, NEW YORK"

Telephone MURRAY HILL 5-0181

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ALAN M. STROOCK, *New York, Vice-President*
FRANK L. SULZBERGER, *Chicago, Vice-President*

January 28, 1949

EMERG.
State Dept

CONFIDENTIAL

Dear Boris:

Enclosed please find a copy of Mr. Tuck's letter of January 19 to the Secretary of State, on refugee assets in Italy. It follows the lines of the proposal we made to the Department of State. We obtained this document on a strictly confidential basis.

Cordially,

Eugene
Eugene Hevesi

Mr. Boris M. Joffe, JDC
270 Madison Avenue
New York 16, N.Y.

Eh:rs
Enc.

325898

c
o
p
y

United States Office

INTERNATIONAL REFUGEE ORGANIZATION
(Geneva, Switzerland)

19 January 1949

The Honorable
The Secretary of State
Washington, D. C.

GEN. SECRET. G. D. H. H. H.
Rest

Dear Mr. Secretary:

I have the honor to refer to a matter of extreme interest to the International Refugee Organization concerning deposits of looted property in Italy which I believe should be made available for the rehabilitation and resettlement of surviving victims of Nazi persecution.

It has come to my attention that substantial amounts of personal property which was looted by the Germans from victims was picked up by the United States Fifth Army in Italy and is presently stored in safe-keeping in the Bank of Italy in Rome. It appears that the victims from whom the property was stolen were mostly Jews who had fled with their belongings from Trieste and Eastern Europe, or who had transferred their property to Italy to prevent its seizure. It also appears that the property is very similar to the non-monetary gold which the Government of the United States transferred to the International Refugee Organization, as successor to the Intergovernmental Committee on Refugees, under the Joint Chiefs of Staff "Non-Monetary Gold Directive" pursuant to Article 8 of the Final Act of the Paris Conference on Reparation and the Five-Power Agreement of June 14, 1946.

I am, of course, aware that the "non-monetary gold provisions" of Article 8 and the Five-Power Agreement applied to Germany, liberally interpreted by the Government of the United States to include Austria, and not to Italy; but the considerations which prompted allocation of valuable personal property looted by the Nazis from victims and discovered in Germany and Austria apply equally to similar property even though it was uncovered in Italy.

One of several methods might be adopted to accomplish the purpose of allocating this loot to assist persecutees. I should like to propose that the property be turned over to the International Refugee Organization, since we have successfully and speedily liquidated in the United States a great portion of the non-monetary gold which the Government of the United States turned over in Germany and Austria; and it would be most expedient to take advantage of our established procedure and organization to ensure speedy liquidation. Since the property appears to have been looted principally from Jewish victims, a division of the proceeds upon liquidation for assistance to Jewish and non-Jewish victims could be formulated, taking into account the approximate portion which was looted from each group. The general scheme of allocation of funds upon submission of approved projects as outlined in Article 8 and the Five-Power Agreement might also be adopted.

325899

Since this matter has very recently come to my attention, I would be grateful if the Department of State were to discuss it with the International Refugee Organization representatives in Washington, in my absence.

I earnestly hope that you will give favorable consideration to this proposal, since the International Refugee Organization is anxious to extend the greatest possible assistance to the greatest number of victims of Nazi persecution.

Sincerely yours,

W. Hallam Tuck
Director General
International Refugee Organization

325900

THE



AMERICAN JEWISH COMMITTEE

386 FOURTH AVENUE, NEW YORK 16, N. Y. Cable Address, "WISHCOM, NEW YORK"

Telephone MURRAY HILL 5-0181

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JACOB BLAUSTEIN, Chairman Executive Committee
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FRANK L. SULZBERGER, Chicago, Vice-Presidents

January 20, 1949

Eugene Hevesi
EUGENE HEVESI
Hevesi

Dear Boris:

Enclosed please find a copy of Mr. Covey J. Oliver's letter to Mr. Rubin on his suggestion that a share in German assets in Italy be contributed to IP and refugee needs.

Sincerely,

Eugene Hevesi
Eugene Hevesi

Mr. Boris W. Joffe
American Joint Distribution Committee
270 Madison Avenue
New York 16, N.Y.

EH:rs

cc: Dr. Slawson
Dr. Segal
Dr. Gray
Judge Forman

68550 JPH

325901

COPY

DEPARTMENT OF STATE
WASHINGTON

In reply refer to
GFD:EP

GEN. & EMERG.

Italy
Reak

January 15, 1946

My dear Mr. Rabin:

The receipt is acknowledged of your letter of December 26, 1943, concerning German external assets in Italy and a possible contribution from them for the International Refugee Organization. The suggestions contained in your letter are being studied in the Department and another letter will be addressed to you on this matter at a later date.

Sincerely yours,

Covey T. Oliver
Acting Chief
Division of Economic Property Policy

Mr. Seymour J. Rabin
1322 Jefferson Place, N. W.,
Washington, D. C.

325902

IN SENATE

March 12, 1947

Introduced by COMMITTEE ON RULES —(at request of Mr. WICKS)—
read twice and ordered printed, and when printed to be committed
to the Committee on Finance

AN ACT

To amend the abandoned property law and the state finance law,
in relation to unclaimed bank deposits of foreign depositors;
providing for the creation of an unclaimed foreign deposits fund
and for the transfer of the custody of moneys in such fund to the
United States Government

The People of the State of New York, represented in Senate and
Assembly, do enact as follows:

Section 1. Declaration of intent. The Secretary of State of the United States has requested ~~that~~ assistance of the state of New York in carrying out the policies of the United States with respect to the rehabilitation and resettlement of non-repatriable victims of German aggression and the disposition of heirless funds believed to be in large part derived from the deceased victims of that aggression.

These funds were deposited in many European countries and in the United States and more particularly in the state of New York by persons seeking to escape Nazi persecution. Many of the deposits of funds in this country and in the state of New York were made by persons who had already escaped from Germany to another European country but who unfortunately were overtaken by the spreading power of the Nazis. Not only were hundreds of thousands of these persons killed but, in addition, their entire families and all known heirs were exterminated. Consequently, large numbers of these deposits have not been claimed and never will be.

Under the existing law, after fifteen years' inactivity these funds would be paid over to the comptroller of the state of New York and by him placed in the state abandoned property fund.

This state has no desire to profit by the use of funds resulting from the amoral and tyrannical policies of the Nazi regime. Further, the people of this state, for the interest and benefit of the nation and of the people of this state, desire to assist in every way the representatives of the United States in their international dealings to bring to an end the existing state of war, to liquidate as quickly as possible the destructive results of war and to assist the non-repatriable victims of German aggression who through no fault of their own have no nation to advocate and protect their rights or otherwise care for them.

325903

Therefore, it is the purpose of this act (1) to release the possible future claim of the state to the use of these funds as abandoned property; (2) to make these assets, to the extent that they are identifiable, available to the United States for its use in concert with other nations for the benefit of these non-repatriable victims; (3) to assure payment to the true owner of any claims for these assets whenever made, and (4) to protect the state from any loss arising out of claims of persons lawfully entitled to such assets.

?
Government

Check text
amendment

2. The introductory paragraph of subdivision one of section three hundred of the abandoned property law, such section having been last amended by a chapter of the laws of nineteen hundred forty-seven, is hereby amended to read as follows:

Except as provided in article three-A of this chapter the following unclaimed property held or owing by banking organizations shall be deemed abandoned property:

3. The abandoned property law is hereby amended by adding a new article numbered three-A, to follow the present article three of such law and to read as follows:

ARTICLE III-A

UNCLAIMED FOREIGN DEPOSITS HELD OR OWING BY BANKING ORGANIZATIONS.

Section 325. Definitions.

- 326. Unclaimed foreign deposits held or owing by banking organizations.
- 327. Annual report of unclaimed foreign deposits.
- 328. Publication of list of unclaimed foreign deposits.
- 329. Payment of unclaimed abandoned property.
- 330. General provisions.

325. Definitions. As used in this article

(a) "Foreign depositor" means any person whose last known address appearing on the records of the banking organization is a place in continental Europe, excluding persons whose last known address is in the British Isles or Germany. There shall also be excluded from the definition of "foreign depositor" any citizen or subject of Germany whose last known address is in Italy, Hungary, Rumania or Bulgaria. Unless the banking organization has knowledge or evidence to the contrary, a person shall be deemed to be a citizen or subject of the country of his last known address. The boundaries of European countries for the purpose of this article shall be as they existed on January first, nineteen hundred thirty-seven.

(b) "Banking organization" means a bank, trust company, private banker or savings bank in this state, organized under or subject to the provisions of the laws of this state, or of the United States, but does not include federal reserve banks.

Italy

(c) "Deposit" means accounts established subsequent to January thirty-first, nineteen hundred thirty-three, but prior to May eighth, nineteen hundred forty-five, and in which there has been no transaction, other than the crediting of interest, since May seventh, nineteen hundred forty-five.

326. Unclaimed foreign deposits held or owing by banking organizations. The following unclaimed property held or owing by a banking organization shall be deemed an unclaimed foreign deposit: Any amount of twenty-five dollars or more due on a deposit by a foreign depositor and held or owing by a banking organization, which shall have remained unclaimed for fifteen years by the person or persons appearing to be entitled thereto, including any interest credited thereon, excepting

- (1) any such amount which has been reduced or increased, exclusive of interest credit, within fifteen years, or
- (2) any such amount which is represented by a passbook not in the possession of the banking organization, which has been presented for entry of an interest credit within fifteen years, or
- (3) any such amount with respect to which the banking organization has on file written evidence received within fifteen years that the person or persons appearing to be entitled to such amounts had knowledge thereof, or
- (4) any such amount payable only at or by a branch office located in a foreign country, or payable in currency other than United States currency.

327. Annual report of unclaimed foreign deposits. 1. On or before the first day of August in each year every banking organization shall make a verified written report to the state comptroller, which shall contain a true and accurate statement as of the thirtieth day of June next preceding of all unclaimed foreign deposits specified in section three hundred twenty-six of this chapter, held or owing by it. Such report shall set forth:

- (1) the name and last known address of the person or persons appearing from the records of such banking organization to be the owner of any such unclaimed foreign deposits;
- (2) the amount appearing from such records to be due such person or persons;
- (3) the date of the last transaction with respect to such unclaimed foreign deposits;
- (4) the nature and identifying number, if any, of such unclaimed foreign deposits; and
- (5) such other identifying information as the state comptroller may require.

2. Such report shall be in such form as the state comptroller may prescribe. All names of persons appearing in the report and appearing to be the owners of unclaimed foreign deposits shall be listed in alphabetical order.

3. In case any banking organization shall on the thirtieth day of June in any year neither hold nor owe any unclaimed foreign deposits specified in section three hundred twenty-six of this chapter, it shall on or before the tenth day of August next succeeding make a verified written report to the state comptroller so stating.

328. Publication of list of unclaimed foreign deposits. The provisions of section three hundred two of this chapter, in so far as the same is consistent with the provisions of this article, shall be applicable in relation to such unclaimed foreign deposits and, in relation to such deposits, the words "abandoned property" used in such section shall be read as "unclaimed foreign deposits", and the reference to section three hundred one in such section shall be read as section three hundred twenty-seven. Proof of publication, however, shall be filed in duplicate with the state comptroller and one of such proofs shall be sent forthwith by the state comptroller to the attorney-general of the United States.

329. Payment of unclaimed foreign deposits. 1. In the succeeding month of November, and on or before the tenth day thereof, every banking organization shall pay or deliver to the state comptroller all unclaimed foreign deposits specified in such report, excepting such unclaimed foreign deposits as since the date of such report shall have ceased to be unclaimed.

2. Such payments shall be accompanied by a statement setting forth such information as the state comptroller may require relative to such unclaimed foreign deposits as shall have ceased to be unclaimed.

330. General provisions. The provisions of article fourteen of this chapter, as the same are now in effect or may be amended from time to time, in so far as they are consistent with the provisions of this article, shall be applicable in relation to such unclaimed foreign deposits, and, in relation to such deposits, the words "abandoned property" and "abandoned property fund" in the consistent portions of such article shall be read as "unclaimed foreign deposits" and "unclaimed foreign deposits fund," respectively; except that the provisions of the second paragraph of section fourteen hundred seven of this chapter shall not be applicable.

4. The state finance law is hereby amended by adding a new section ninety-five-a, to follow section ninety-five, and to read as follows:

95-a. Unclaimed foreign deposits fund. 1. The state comptroller shall maintain a special fund to be known as the unclaimed foreign deposits fund. Such fund shall consist of all moneys paid to him pursuant to the provisions of article three-a of the abandoned property law and all moneys which by law are required to be paid into such fund.

2. All moneys in such fund while in the custody of the state comptroller shall be deposited by the state comptroller in one or more state banks, trust companies or savings banks. Any interest received by the state comptroller upon any such deposit, and any income or profits derived from any investments of such fund, shall be the property of the state and shall be paid into the state treasury to the credit of the post-war reconstruction fund.

3. The state comptroller shall draw a warrant or voucher upon such fund on or before December thirty-first in each year for seventy-five per centum of the amounts paid into such fund during such year and shall pay the amount of such warrant or voucher to the United States, in accordance with the provisions of subdivision four of this section.

Government

Republic of the United States Resurrected

4. If, as part of the nation's effort to bring to an end the existing state of war and in order to implement action taken by this nation in concert with other nations to liquidate as rapidly as possible the destructive results of such war, the Congress shall enact a law in accord with the policy of the United States to assist in the rehabilitation and resettlement of eligible classes of non-repatriable victims of German action, as set forth in Article VIII of the final act of the Paris conference on reparation and the five power agreement of June fourteenth, nineteen hundred forty-six, on a plan for the allocation of a reparation share to non-repatriable victims of German action, which will authorize the United States, or a designated agency thereof, in order to effectuate the purposes specified in the five power agreement of June fourteenth, nineteen hundred forty-six, in the manner described therein, to accept from the state of New York the custody of moneys in the unclaimed foreign deposits fund established by this section and provided herein to be paid to the United States, then the state comptroller shall pay to the United States, or to any agency of the United States designated in such law, the amount provided herein to be paid to the United States. Any such law must:

(a) Provide that the United States shall reimburse the state comptroller within ninety days after demand the amount of claims for refund of unclaimed foreign deposits paid by him pursuant to the provisions of the abandoned property law.

(b) Shall expressly recognize the fact that the title to any moneys paid to the state comptroller by banking organizations pursuant to article three-a of the abandoned property law has not vested in the state of New York; that the state of New York has assumed the responsibility for the payment of all claims to any such moneys when established and allowed in accordance with the laws of this state; that the payment of any moneys from the unclaimed foreign deposits fund to the United States does not vest the title to such moneys in the United States but only transfers the custody thereof from the state of New York to the United States, subject to the reimbursement provisions contained in this section.

(c) Provide that the determination of the state comptroller of the validity of any claim for refund shall be conclusive as to the United States; that the United States shall not be a necessary party in any action or proceeding involving any claim for refund.

(d) Provide that the state comptroller, in the event of any dispute as to the reimbursement of claims for refund, shall have the right and power to sue the United States in any federal court for the return of any such moneys the custody of which may be transferred to the United States pursuant to this section and which the United States may fail to return to the state comptroller within ninety days after demand, as provided in this section; which law shall designate the officer or official of the United States upon whom process in any such action or proceeding may be served, and shall provide for the payment of any judgment or judgments obtained against the United States by the state comptroller in any such action or proceeding.

The United States shall not be obligated, under any circumstances, to return to the custody of the state of New York any amounts in excess of the amounts paid to the United States pursuant to this section.

5. No action shall be taken pursuant to this act and no right or duty shall accrue as a result thereof until the attorney-general of the state of New York shall certify to the state comptroller that the Congress of the United States has enacted the law described in section three of this act. The state comptroller shall file a copy of such certification in the office of the secretary of state of this state and shall cause notice of such certification to be given forthwith by mail to each banking organization, as defined in section three hundred twenty-five of the abandoned property law, as added by this act.

6. This act shall take effect immediately.

ACTING SECRETARY OF STATE DEAN ACHESON
DEPARTMENT OF STATE
WASHINGTON, D.C.

We respectfully desire to convey to you comments on the September 23rd draft of the Restitution Law prepared in the American zone in Germany. This draft shows a marked advance over the earlier drafts and reflects the efforts of the OMGUS to insure justice. Some of the principles now introduced in the draft require further extension to make them effective. This is the case with respect to several major matters, to which we here call attention:

First: Section 65 is, we assume, based upon the fact that the controversy which arises in any case under a restitution law is one between the German state or the beneficiaries of racial legislation and those who have been forcibly eliminated from German national life. This basically is a controversy between German interests, and interests which have been made non-German by the German state itself.

These considerations should govern the composition of the tribunals to decide such cases and the necessary changes in the draft of the laws on this point. Merely by way of suggestion of the machinery which could be set up to carry out these principles adequately, we mention the following:

A- That all claims in the first instance might be presented to a mixed restitution commission, appointed by OMGUS, consisting of an American chairman, and a judge designated by the Ministry of Justice, and a representative of the group or race to which the claimant belongs under the definition in paragraph 2 of Section 3. The same basis of selection might govern the composition of the Appellate Court.

Another example of machinery appropriate to give effect to the underlying principle above noted would be to use the method employed in Sections 47 and 65 of the present draft for the selection of the members of the Court of first instance, and to use for the Appellate Court two members selected by military government, two members selected from the race or class of which the claimant is a member and one selected by the State Minister of Justice, the Appellate Court to have power to review the case as to both facts and law and to make a decision on the case de novo.

We believe that under the constructive provisions of Section 43 of the present draft, it will be possible to cut down to a large extent the number of cases which will come before the courts.

Second: We refer to Section 6 of the present draft. In view of the fact that the German government forced Jews out of the German nation and destroyed Jews on the assumption that they were no longer German nationals, it would seem just to entrust heirless and unclaimed property to an agency approved by military government, rather than by any of the successors of the German Government. The statute should specify that the property of those who were oppressed by reason of their race should be used for relief, rehabilitation and resettlement of members of that race.

Third: It will insure greater justice to provide specifically for the case of the property of Jewish gemeinden and foundations. With respect to such property, the applicable provisions should give effect to the following suggestions, in place of the second paragraph of Section 6 of the present draft:

The property of Jewish gemeinden and foundations which are no longer in existence should go to the agency mentioned in the second point above. Any Jewish gemeinden or foundations which are still in existence should have the benefit of a fair proportion of the property, for the communal needs. The balance of the property should

go to the agency above-mentioned. The distribution between the gemeinden or foundations and the agency should be worked out by mutual agreement.

Fourth: The second sentence of the second paragraph of Section 3 of the present draft introduces ambiguities and tends to vitiate the purposes of the preceding provisions. We would therefore suggest in place of all the language in that paragraph which follows the words "national socialism" the substitution of the last eighteen words of the second sentence of Section 4 of the draft of September 2nd reading: "Or if the transferee protected the interests of the transferer in an unusual manner and with substantial success".

Fifth: We assume that Section 66 was intended to include inheritance taxes. It would be safer, however, if the wording were more explicit, to eliminate any possibility of inheritance taxes accruing to the German state or any of its successors for its killings of large numbers of its victims.

Sixth: Sections 9 and 64 of the draft of the bill might enable the successors to the Nazi government to claim property improperly seized by that government from its victims and should therefore be eliminated.

Seventh: Section 63 appears to be unnecessary and may be made the basis for delaying restitution of real property, and moreover may be invoked as an argument to bar, in subsequent legislation, various classes of just claims.

The foregoing appears to us to be of such importance that we deem it necessary to convey this to you as promptly as possible and before the preparation of a statement which we hope to submit on a number of the details of the bill.

We are gratified to learn that it is the desire of OMGUS to enact a measure speedily and in any event during the current calendar year. We hope that this can be done for the American Zone without taking the considerable amount of time that would be involved in seeking to get the agreement of other occupying powers. Any such delay would impose a grievous burden on large numbers who have already suffered deeply.

We would be grateful if you would convey these comments to the appropriate officials in Berlin.

American Jewish Committee
American Jewish Conference
American Jewish Joint Distribution Committee
Jewish Agency for Palestine
World Jewish Congress

ADDRESS BY

RABBI PHILIP S. BERNSTEIN
ADVISER TO GENERALS JOSEPH T. McNARNEY AND MARK CLARK

BILTMORE HOTEL, NEW YORK CITY
October 1, 1946

At the outset, I wish to express appreciation to my predecessor, Judge Simon H. Rifkind who left a heritage of respect and sound policies which have made my task much less difficult than it might have been. In some ways, the problems have changed since his departure. In his final report, he stated that there were a hundred thousand Jewish Displaced Persons in Europe. Tonight I report that there are over two hundred thousand. He was dealing largely with the men and women recently liberated from German concentration camps. Today the majority consists of recent infiltrates from Eastern Europe. However, although the basic problems are in some respects different and greater, the basic policies which Judge Rifkind helped to establish should be and are the same.

The solid foundation laid by him has made it easier to build the subsequent superstructure of care.

I take this occasion also to express public appreciation to my own congregation, Temple B'rith Kodesh, Rochester, New York, for its understanding cooperation and generosity. For four years now I have been its absentee Rabbi, most of that time directing the Jewish Religious Program for the armed forces and more recently as Adviser to the United States Commanders in Germany and Austria. And now again at the request of the Secretary of War, they have granted me a further leave of absence to carry on this important undertaking. I cannot find words adequate to express my gratitude for their loyalty and ongoing helpfulness.

I wish to pay public tribute to the high level United States governmental authorities who have had some direct association with my responsibilities in Europe. The President of the United States, the Department of State and the Department of War have steadily maintained a sympathetic, humanitarian attitude toward the Jewish Displaced Persons. Under their direct responsibility, the borders of the United States zone in Germany and the United States zone in Austria have remained open to those of our people fleeing from persecution in Eastern Europe. Their policies have been humanely and effectively implemented by the Commanding Generals of Germany and Austria, General Joseph T. McNarney and General Mark Clark. They have done more than implement policies from Washington. They have helped to fashion such policies as would give the maximum help and impose the minimum hardship. The United States governmental authorities, civilian and military together, have in my opinion, given the world the outstanding example of practical humanitarianism in this sorry postwar period.

And now I offer both an expression of appreciation and a report to the five major Jewish organizations who were originally consulted about my appointment and who are recognized as having the principal responsibility in matters affecting the Jewish Displaced Persons in Europe. I refer to the American Jewish Committee, the American Jewish Conference, the American Joint Distribution Committee, the Jewish Agency for Palestine, and the World Jewish Congress. Before I left for Europe, I called together the heads of these organizations and said, "There will be occasions when I will need the help and guidance of the organized Jewish community. There may be times when I will have to convey information and counsel to the Jewish community. I cannot and will not deal with disparate and perhaps conflicting groups on such delicate and urgent matters. In this at least there must be unity." It is gratifying to report that so far as my responsibilities are concerned, there has been unbroken working unity ever since. I informed the Secretaries of State and War as well as the Theater Commanders in Europe of my working relationship with these organizations. They agreed that full

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consultation and cooperation were necessary to sustain the morale and the physical well-being of the Jewish Displaced Persons. They appreciate the understanding, the assistance and the functioning unity of these Jewish organizations and trust that it will continue at least as long as the need exists. My hope goes beyond that point. I trust that this unified effort is the promise, the symbol and the pattern of a united Jewry in the years to come.

I wish to report also an increasing understanding in the relations between the United States Army and the Jewish community with reference to the Displaced Persons in Europe. For various reasons for which it would serve no good purpose to recapitulate at this time, there was a period of criticism, irritation and tension. The great disappointment of the Jews that the Displaced Persons were still in camps in Europe somehow seemed to channel itself against those who were taking care of them and who also, I must add, were equally disappointed that their charges had not been resettled elsewhere. In any event, that period has passed. Responsible Jewry knows now how indebted Jews are to the United States Army. On the other hand, the promotion of contacts between high military authorities and responsible Jewish leadership has increased the understanding, the appreciation and the dependence of the military in relation to these Jewish groups.

Let us look now at the relations between the military and the Jewish Displaced Persons themselves. I wish to state, in the first place, that the basic policies of U.S.F.E.T. and U.S.F.A. are excellent. Generals McNarney and Clark continue to grant haven to Jewish persecutees. They continue to maintain a differential in food, housing and care favorable to the victims of Nazi persecution. They grant exemption to Jews from the pressure applied to other Displaced Persons to return to their countries of origin, fully recognizing the inhumanity of such a program for our people. They exclude Jews from all "no work, no eat" proposals. They give every possible assistance to the establishment of an adequate religious life among the Displaced Persons. Despite acute food shortages and the special problems of supply caused by the shipping strike they granted extra rations to the Jews for the High Holydays. In a communication which has just come to me from Frankfurt, it is stated that the Army will not permit the Jews to pay for the publication of the talmud in Germany, which has recently been approved. We felt that it would be an appropriate historic gesture and an eternal answer to Nazi book-burning to have the schass published by the Displaced Persons in Germany and were ready to arrange for its financing out of Jewish funds. U.S.F.E.T. headquarters, I now learn, is ready to make the paper and printing available out of its resources, consistent with its program of providing religious materials for Displaced Persons.

The top policies are excellent. The problems arise in the field. The Displaced Persons are not accustomed to American military procedures and disciplines. The young American G.I. finds it difficult to understand the D.P. His way of thinking, his behavior patterns are foreign to him. As time passes, the Displaced Persons become increasingly burdensome to those who are responsible for their care. There is undoubtedly a subtle, unhealthy German influence which is probably growing.

To counteract the effects of these factors and to reduce undesirable tension to a minimum, we have undertaken a program of education and interpretation. I prepared an article on the Jewish Displaced Persons which appeared in three issues of the "Stars and Stripes," the Army publication read by the military in Germany and Austria. It was also published in all of the unit newspapers and magazines and was distributed by the Information and Education branch of U.S.F.E.T. In actual effect therefore, this interpretation of the Jewish Displaced Persons was brought directly to the attention of the officers and enlisted men who are likely to have contact with them. There has been a similar effort to interpret American military policies and procedures through the Jewish Chaplains, the Central Committee of Liberated Jews, and the Jewish voluntary agencies. For example, when we found that incidents were developing on trains carrying large numbers of Displaced Persons from Austria to Germany because there was no adequate liaison between American personnel who issued orders in English and the D.P.'s who failed to obey them in Yiddish, we arranged for Jewish Chaplains to accompany these trains. At the point of origin they explained American military policies and procedures. They related the

contribution the Army is making toward the saving of Polish Jewry. They shared the hardships and privations of the people on journeys of two or three days in box cars, and then stayed in new camps for a day or two to help in the process of orientation.

Our staff has made an analysis of the incidents that have occurred since January 1, 1946 and on the basis thereof has prepared a list of "do's and don'ts" for the Army and for the Displaced Persons, pointing out concretely the things to avoid in order to reduce and perhaps eliminate unpleasant incidents.

One cannot generalize about the total relationship of G.I. and D.P. In some places the Jews pay the highest tribute to the understanding and helpfulness of the American military in their area. In other places, there is much criticism. We are doing what we can to obviate the difficulties and are receiving the fullest cooperation from the high level military authorities.

The relationship between the Jews and the Germans is paradoxical. The studies made of German attitudes indicate no basic changes. I have seen nothing to prove that the Germans regret their anti-Semitism. They may regret the effects of it on world opinion. They may think that the Nazis were too crude in their techniques of persecution and extermination, just as most of them seem to regret only that Hitler lost the war, not that he started it. But they remain anti-Semitic.

The Jews likewise regard the Germans who despoiled them and murdered their families with an unforgiving hatred.

—One might expect this combination of unforgiving hatred and unregenerate anti-Semitism to lead to grave friction. Actually it does not. In many camps and centers the Jews live peaceably side by side with the Germans. Outbreaks of antagonism between them are rare, marginal rather than general. They may seem more general because it is the sensational isolated incident which is featured by the press whereas the daily, quiet living together never makes the headlines. However, they do live together for the most part in an unbroken though uneasy peace. Some Germans are employed in Jewish camps even as vocational instructors. In a recent incident in a camp near Munich, the Jews actually took under their wing the German employees of the camp, not as hostages as was erroneously reported in the newspapers, but for their protection until the excitement was calmed down.

Such incidents as have occurred were due for the most part to the use of German police in or near Jewish camps. Before his departure, Judge Rifkind asked for discontinuance of such practices in the camps. His recommendation at the time was not approved because of the reduction of American military personnel. However, subsequent incidents and continued interpretation have brought about the elimination of German police from Jewish camps. They have not as yet, however, brought about the exclusion of German police from the neighboring areas of Jewish camps. I must state in explanation of the Army's reluctance to take this step that:

- a) There are not enough American troops in United States Zone in Germany for policing purposes.
- b) Under the circumstances and because of larger policy, the Army finds it desirable to utilize Germans for German police purposes.
- c) If German police are pursuing actual or alleged law-breakers on a German road, their task would be made difficult, if not impossible, by the establishment, let us say, of a three-mile limit around Jewish camps.

Nevertheless, we have recommended that German police be excluded from the contiguous area and this is receiving consideration from the appropriate authorities.

Much could be said about the internal conditions among the Displaced Jews. However, for the purpose of this report, let the following brief summary suffice.

In the first place, we sought to build up a sense of responsibility, dignity and status among the D.P.'s. This took shape in the official recognition by General McNarney of the Central Committee of Liberated Jews. Hitler had outlawed Jewish communities from Europe and announced that he had forever destroyed them. The American Commander gave historic answer by granting legal recognition to a Jewish community within Germany itself. Even though, as we hope, this community will not long endure in Germany, as a gesture and as a symbol it is of profound significance. I wish you could have been present with me at the luncheon that General McNarney tendered in the Yankee Doodle Room of the Casino in Frankfurt to the officers of the Central Committee. These Jews, so recently freed from concentration camps, still bearing upon their arms and upon their souls the marks of their persecutors, still having some excuse because of their experience with Nazis in uniform to question the intentions of anyone in uniform, conducting themselves as equals, with dignity, with propriety and with self-respect.

The Army is now preparing to give them a larger measure of responsibility in the administration of their own affairs. It calls on them to give orientation to the newcomers. It relies on them to help maintain law and order. On the other hand, it is anticipated that the military authorities will not obstruct them but will assist them in keeping constantly before the world the simple fact that their basic problem of resettlement has not been solved.

I am pleased to report that on the occasion of its formal recognition, the Committee brought to General McNarney the organized will of the Jewish Displaced Persons to work. This has been a difficult and complicated problem. The survivors of the concentration camps had neither the strength nor the will to work. Certainly they would not work for the German economy. Through the months this unreadiness to work became almost a fixation, a kind of group psychosis. It exercised a profound demoralizing influence. Steadily there has developed a healthy change. At present a substantial percentage of the employable Jews actually do some work in the administration of their own camps. The time has now come, they reported to General McNarney, when they are ready to go further. They are prepared now to do any work for the needs of Displaced Persons, non-Jewish as well as Jewish, for the Army and for its dependents, and for UNRRA, but not for the German economy. We are engaged now in planning for a realistic work program which is extremely difficult because of problems of materials, machinery, financing, etc. With the approval of the Secretary of War, I am, at this time, engaged in securing experts to come to Germany to set up such a program.

In this connection, I wish to state that the recent infiltrates have contributed something new to the total picture. Unlike the earlier DP's directly liberated from concentration camps, most of the newcomers are from Russia whither they fled before the advancing Nazi armies. They are not the products of the abnormalities of the concentration camps. They are accustomed to hard work. It would be a great pity if their capacity and will to work were to be dissipated. We shall do everything possible to prevent this.

It became clear early in our experience that the problems of Jewish property restitution were too complex for a Rabbi. We recommended to General McNarney and General Clay that a recognized Jewish expert be attached to the military government staff to handle it. The recommendation was accepted, the Jewish organizations were consulted, and a distinguished attorney with long legislative and governmental experience was appointed. Mr. Max Lowenthal is now engaged in this difficult and complex undertaking.

The largest single problem that confronted us was the infiltration from Poland, which in a short time doubled the Jewish Displaced Persons population in Germany and Austria. Even before the Kielce pogrom, the robbing, beating and killing of Jews in Poland had increased the flow of those seeking safety in our zone. On the

Auschwitz and Treblinka.

There is a memorial to the Ghetto resistance. But, much more poignant were the un-meant memorials. The little heaps of bone fragments, the belt buckles, the utensils which the victims wore or used before they were killed. The stench of death was still in the air.

I could easily see why the Jews would want to leave Poland. Every stone cried aloud of the blood of their loved ones. The very people with whom they were now being asked to help rebuild Poland were those who had helped to destroy their families. A Rabbi in the Polish army said to me, "I loathe this uniform. These Poles killed my wife and two children. I will stay here only long enough to help the survivors to escape."

In the hospital in Lodz I called upon those who had lived through the Kielce pogrom. For some it was only a temporary respite from death. One man, Sokolowsky, was dying before my eyes from a crushed spine. Another, dreadfully wounded, kept asking for his wife. Because his own life hung in the balance, they told him she was in another hospital, but they told me she was dead, murdered by the pogromists. One woman, whose body had been pounded out of human shape, told me how miraculously she and her husband had survived the war and the Nazi concentration camps. They had been separated by a thousand miles but managed, as if drawn by a magnet of love, to find each other when the holocaust had passed and now with a new-born child had settled in Kielce when the pogrom struck and her husband was slain.

There was a certain almost objective bewilderment and horror with which these people described what had happened to them. They just could not understand how other human beings could hate them so. There had never been any personal difficulties between these Jews and their attackers. Most of them in fact had but recently come to Kielce and were known to be on their way to other places. They described how their attackers, including women and children, had used bricks and rocks, clubs, pieces of iron and steel, and had concentrated particularly in attacks upon their heads and genital organs, so that most of the dead were beaten into unrecognizability. Only the concentration camp numbers on their arms testified to their identity.

Yes, I could understand why the Kielce pogrom deprived the Jews of Poland of whatever sense of security they had formerly possessed.

And then I saw them on the move. Perhaps in some ways, this was worst of all. Together with the Christian Poles they had been persecuted and despoiled by the Nazis and their families had been murdered. Together with the Poles they had yearned, lived and fought for the liberation of their country and of all Europe, and now they had to run away from Poland. Tragedy compounded, disillusion without end! On the way to the points in lower Silesia from which the movement started which brought them eventually to the United States Zone, Germany, they were again beaten, robbed and some of them were killed. They were gathered in shelters near the border where they lay on the floors, no beds, no pillows to rest their heads on; and in some cases, no food, for everything was taken from them. Like criminals, they had to steal out at night. As one of them said to me, "Apparently we are criminals. Our crime is that we are Jews." I saw them crowded into trucks, fifty-eight by actual count in one truck, men, women, and children, - the old, the infirm and the sick, the pregnant women and little babies, each allowed space only for such possessions as could be carried in a small bag or a briefcase and again on the way to the borders their last possessions were stolen from them. If they couldn't pay the bribes demanded by the petty Polish officials, sometimes they would be thrown into jail. The crowning indignity was their inability to be transported across the border by vehicle. They were dumped unceremoniously some distance east of the border and then had to walk with their possessions and children and ailments over the frontier to Czechoslovakia where they received more humane care but were expeditiously moved on their way out of the country.

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Before I left Poland, I was able to do two things for these people. For the survivors of the Kielce pogrom, I was able to secure from the Jewish Agency a commitment for the earliest possible shipment to Palestine of these survivors, when they could move. I met with the Prime Minister of Poland who quite genuinely, in my opinion, proclaimed his Government's good will toward the Jews and its opposition to anti-Semitism. However, particularly since the Kielce pogrom, they felt they had no right to insist that the Jews remain in Poland. I asked him then why, if his Government permitted the Jews to depart, they were also allowing the soldiers and petty officials to rob, beat and extort bribes from them as they were leaving. He promised to try to correct this, and subsequent reports indicated that he kept his promise... that the outward movements thereafter were protected by the government, that they took place in daylight, not at night and that the people, apart from the dangers they were fleeing and the uncertainties to which they were going at least were reasonably safe in the process of moving.

But these were minor matters compared with the great tasks confronting us. For it was perfectly plain to me that most of the one-hundred-sixty-thousand Jews in Poland were on the move and that their immediate destination was the United States Zone in Germany. Yes, they were on the move. On one night alone, according to a telephone message from Prague, thirty-nine hundred people crossed the border. Can you begin to visualize the problems of reception, housing, feeding, care, medical attention, clothing, as well as the longer range needs of education, work, religious life? Until the middle of September there was no day when fewer than one thousand came our way.

At this point, I say, "Thank God for the United States Army." The United States Army alone has given shelter and care to the great numbers of our people fleeing from Eastern Europe out of fear and desperation.

I flew back from Poland to my headquarters in Frankfurt and reported to General McNarney. I told him that sixty thousand Jews would be fleeing Poland between August first and October 31st, and most of them in the first six weeks, and that another forty thousand would probably come out over the winter, leaving perhaps sixty thousand who were planning to remain in Poland. I recommended to him the continuation of traditional American policy of haven for the persecuted. Similar recommendations were conveyed to the President of the United States. Despite pressures to the contrary, despite the critical housing and food shortages of Germany, despite the lack of any clear outlet for these people, the borders were kept open.

However, appreciating the problems of the Army, recognizing the fact that although more than half of the housing in the United States Zone in Germany had been destroyed by bombing, the total population was already three millions above the pre-war level and hundreds of thousands of Germans expelled were yet to be returned to Germany by countries such as Czechoslovakia which were forcing them out. I took it on myself to attempt to arrange for some dispersal of the flow from Poland. This was something which General McNarney as United States Military Commander could not undertake, but which I, with the cooperation of the major Jewish agencies, could properly do. I met first with the leaders of the major Jewish groups who were at that time gathered in Paris for the peace conference. We agreed on a program and swung into action.

First, General Mark Clark, Commander of the United States forces, Austria, whose advisor I had also become, agreed to raise the level of his settled Jewish displaced persons population from five thousand to thirty thousand. In this, as in all other matters on which we have dealt, he was willingly cooperative. He orders his staff to take the "can do" attitude on these matters and gives them the example himself.

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Next, we sought to set up camps for twenty-five thousand Jewish displaced persons in Italy. At first, Mr. LaGuardia, the Director General of UNRRA, declined to assume such responsibility because of UNRRA's intention to liquidate its affairs. Subsequently, in the company of some of the Jewish leaders, I called on Mr. LaGuardia and he agreed to UNRRA's assuming responsibility for such camps, providing:

1. The United States State Department would get the consent of the Italian Government.
2. That the War Department would provide the food for the camps.

These were difficult conditions to meet, and even today the program has not been accepted. However, I flew to Italy with General McNarney and with him discussed the project with the American and Allied Military Commanders. I presented it as effectively as I could to the head of the UNRRA mission in Italy and to the Italian Cabinet Member responsible for such matters. Finally, I was granted a forty-minute interview with Pope Pius XII at his summer residence at Castel Gandolfo. It was a satisfying talk. He sat behind a desk and I sat by its side and we proceeded from the realms of generalities to the specific matters which were my responsibility. I requested certain specific action. He agreed to take it. I now await results.

In France, we secured temporary visas for a large number of Jews from Poland. They are to be supported by J.D.C. until they can be moved to their ultimate destination. Similar arrangements are now in process for Belgium, Holland and Sweden.

I met with the Prime Minister of Czechoslovakia and urged on him the establishment of camps for ten thousand in his country. He asked if I could get him some guaranty that these Polish Jews would not remain in Czechoslovakia. Alas, even in Czechoslovakia, Jews were fearful lest this project jeopardize their security. They too did not want Polish Jews to remain in their country. Once again the United States Army came through. General McNarney authorized me to give his personal guaranty to the Czechoslovakian government that on July 1, 1947, if so requested and with thirty days' notice, he would take these Jews from Czechoslovakia to the United States zone in Germany. When I left, we were awaiting a definite answer from the Czechoslovakian Government. Before my departure from Europe, we were setting up a plan to settle two thousand children in a well-equipped former German camp in Norway where a number of groups, the Norwegian Government, the United States Army, UNRRA, J.D.C., were assuming combined responsibility.

My heart is heavy as I report that not a single government in Europe has been prepared to offer more than temporary shelter to these people. In spite of all that these Jews and the others have suffered together at the hands of the Nazis, these Jews are still unwanted, still stigmatized, still excluded from the normalities of life.

It has been my difficult task as well as great opportunity and privilege to arrange at least for the physical safety of these people and for their shelter and care. In spite of all that we are doing for their dispersal, most of them still come to territory controlled by the United States. Coming in such vast numbers before adequate accommodations can be secured or gotten ready, there are many difficult practical problems. The life for the new people is not pleasant. The conditions which confront them at the beginning are cheerless and discouraging. Their basic problems are still unsolved; but they are safe. When my predecessor laid down his responsibilities, he said that there were one hundred thousand displaced Jews in the occupied countries. Today, there are two hundred thousand. In these few months, we have saved more Jews from death and despair than perhaps has ever been accomplished in so short a time in all our tragic history.

Let us look ahead at some of the impending problems and difficulties.

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The steady reduction of United States military personnel carries with it some potential dangers to the Jews. For, with the reduction of American personnel, it follows that more responsibility in Germany must be borne by German personnel, and the Jews do not trust the Germans, for good reason.

The drastic reduction of appropriations to the United States forces in Europe creates some grave problems in the care of the Displaced Persons. For, the D.P. budget comes out of army appropriations. If there is not enough money to go around, the D.P.'s will feel the shortage as the G.I.'s will, but since they live much closer to the edge, they will feel and suffer the results more keenly. It is not enough for the United States Government to establish and maintain a policy of haven and care to persecutees, but must also provide the Army with necessary funds. All men of good will should do everything in their power to induce the Congress of the United States to give the Army of the United States the funds with which to carry out its responsibilities.

If this is not done, there will be increased pressure to lower standards which are already at the minimum. There have been proposals already to eliminate the differential for persecutees. There have been proposals to cut their rations below twenty-two hundred calories, which allows them little more than coffee and bread and margarine for breakfast; a stew for dinner; coffee, cheese and crackers for supper.

There have been some proposals to place Jewish infiltrates under the administration of German welfare agencies. This would be hateful to Jews. It could not be administered smoothly or effectively. It would be offensive to the World Jewish Community. It would be in violation of basic policies established by the President of the United States, the State and War Departments, and the Theater Commanders.

Thus far, these proposals have been rejected by the responsible military authorities, but they continue to hover about the margins of the situation. So long as the Army does not have enough money to fulfill its responsibilities, we will not be free of the threat of it. It is imperative, I repeat, that every effort be made to induce Congress to give the Army the means with which to do its job.

There is another grave danger which is the product of the total situation. It is not only because of reduced personnel and appropriations that more responsibility and autonomy are being granted to the Germans but also because of the desire to reestablish the German economy and to reduce the cost of the occupation to the American tax payer.

For the Jews, the implications are not good. It becomes just that much more difficult to take a German house or German farm for D.P.'s despite the fact that the Germans robbed the Jews of infinitely more than could ever be taken away from them for this purpose, despite the fact that the Germans are still the beneficiaries of the Jewish property that they confiscated; despite the fact that the Jews are still homeless in camps while the Germans are reestablishing their national life in their own homes and on their own soil.

It is not my province to discuss American foreign policy in the current delicate international situation, but it is my duty to indicate the need for the greatest vigilance to protect the elementary rights of the people whom the Germans slew and despoiled.

The final danger of which I wish to speak is the threat of demoralization to the Displaced Persons themselves. It is in the nature almost of a miracle that they maintained their sanity and balance and hope so long and in the face of such obstacles. But how much longer can this go on? And, remember that we are speaking now of the second largest concentration of Jews on the European continent. These displaced persons are now exceeded in numbers only by the Jewish population of Roumania. Let me give you the statistics:

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| | |
|---|-------------------------|
| Jewish Displaced Persons in U. S. Zone, Germany | 130,300 |
| Jewish Displaced Persons in U. S. Zone, Austria | 33,901 |
| Jewish Displaced Persons in British Zone, Germany | 23,000 (approx.) |
| Jewish Displaced Persons in French Zone, Germany. | 2,000 (approx.) |
| Jewish Displaced Persons in British, French Zones In Austria | 3,000 (approx.) |
| Jewish Displaced Persons under UNRRA in Italy | 9,000 (approx.) |
| Jewish Displaced Persons in France | 7,000 (approx.) |
| Jewish Displaced Persons temporarily in European Continental Countries | <u>10,000</u> (approx.) |
| TOTAL | 218,201 |

What needs yet to be done? In the first place, we must give material help on a scale never before required. There are about a million-and-a-quarter Jewish survivors on the European continent, apart from these in the Soviet Union. Nearly a million of them are in need of help. Hundreds of thousands are completely dependent for food, clothing, and shelter on Jewish voluntary relief agencies. The balance get some indispensable, supplementary help from them.

The Nazis systematically and completely despoiled the Jews. With rare exceptions, they are utterly destitute. There are no indigenous Jewish communities to carry these burdens. Even the elementary program of rescuing Jewish children must be financed entirely by American funds. Because so many children were exterminated, each child has a thousand-fold worth. Most of them have to be ransomed; substantial sums are paid to the non-Jews who kept them in their homes during the Nazi regime.

The movement of the refugees up to this point has had to be financed by Jewish funds. There are way stations where shelter is provided, hot meals are served, clothing is distributed, medical care is available. When you remember that in one night alone thirty-nine hundred people crossed the border from Poland to Czechoslovakia, that the average in the past two months has exceeded a thousand a day, you will have some idea of the cost.

Even in Germany and Austria where the United States Army has assumed the principal burden of care, life would be intolerable for these poor people without the supplementary help of the Joint Distribution Committee. In Germany for example, these displaced persons receive twenty-two hundred calories per day. In Austria, the Army is able to provide out of its reduced appropriations only twelve hundred calories a day. The diet is not only inadequate but monotonous and dreary. J.D.C. supplements it in both countries so as to maintain health and morale. Our Jewish agencies provide teachers and materials for the education of the surviving children and practical programs for vocational training. They have reestablished a religious life among these people so that they have something to cling to.

Material help is therefore a prime necessity. The second concerns the United States and has to do with the early resettlement of these people. As I will indicate later, most of them want to go to Palestine. But there are considerable numbers who desire to migrate to the United States. For most of them, the prospects are almost hopeless. Even under the existing quota arrangement, very little has been done to expedite immigration. A maximum of thirty-nine hundred people a month is possible under the reestablished quota laws. In actual fact, I have been informed that fewer than thirty-nine hundred have entered the United States not in the last month, but in the last six months. The whole program is cluttered with red tape. It has never been galvanized into dynamic action. When I was in Poland I learned that despite the Polish quota, not a single visa had yet been issued in Poland. They had not even opened the Consular Office to do this.

However, we should go beyond existing immigration policies. We are the richest country in the world. Our economy has expanded beyond our fondest hopes. There is a grave labor shortage. The acceptance of another fifty or even one hundred thousand D.P.'s

into the United States would not adversely affect our social order. Many of these people bring needed skills with them, as for example, tailoring, which is very much in demand at the present time. Others can create new products.

The organized Jewish community through the National Refugee Service provides transportation for these people, gives them care on their arrival and offers assurances to our American communities that they will not become a burden.

Palestine is the major hope. Over ninety per cent of these Jewish D.P.'s insist on going to Palestine. They don't want to be pushed around any more. They want to start life on their own land and on their own terms - they don't want to be tolerated somewhere else. They don't want to live in the graveyard of both memory and of hope which Europe has become for them. I can assure you that they will brave every hardship and every danger to settle in Palestine. They will not be daunted by Arab terrorism or British obstructionism. For them it is literally Palestine or death.

Palestine has had a wonderful effect upon those who have already found a home there. It heals them of their wounds, straightens out their complexes, washes them clean of the scars of the Ghetto. They are entitled to this new, free, clean life and they are going to get it.

It is my opinion that the United States Government will find it far less costly in money, irritation and even life to take the positive steps now to resettle these people in Palestine than to temporize.

Finally, I wish to say that the treatment of these Jews is the ultimate test of our war and peace aims. It has been the crucial but tragic role of our people to reflect the health of world society. When the body politic was sick, Jews were persecuted; when men lived in peace and freedom, Jews shared the common blessings.

So, in our time, the Nazi assault upon the Jews, as some of us vainly tried to tell the world fifteen years ago, was the prelude that contained the pattern for the attacks upon and for the catastrophe that would yet befall the entire family of nations. It was all there in what happened in the early 1930's to the Jews of Germany. So will it be again today if the surviving Jews of Europe will be betrayed or abused or neglected; that will be the pattern, the shape of things to come. But if these, the first and worst victims of the Nazi enemy, who fought hardest and suffered the greatest losses will be cherished as comrades in a common struggle for human rights and human emancipation, if we will together bind their wounds and heal their sorrows, if we will stand by their side in their reestablishment as normal, self-respecting human beings, it will be the promise and ultimately the fulfillment of a better day to come for all mankind.

MEMORANDUM

[Handwritten signatures and initials]

J. P. RICE
I. M. DIJOUR

In the preliminary discussion of Mr. B. Perence's memo to Mr. Leavitt dated May 27, on the above subject, the following points were made:

1 - We assume that the provisions of the West German Federal Compensation Law concerns all persecutees who left Germany between January 30, 1933 and May 8, 1945, although their actual emigration overseas could have taken place many years after they left Germany, and also in the post-war period. We also assume that not only the cost of emigration, but also the cost of eventual re-emigration to Germany and Austria are covered, as in the case of several thousand persons who first emigrated to the Far East and then returned.

2 - The sources of supporting information for claims known to us are the archives of the JDC, HIAS, HICEM, National Coordinating Committee, NRS, and USNA. The major part of the HIAS and HICEM archives are located in YIVO. This includes the HICEM archives from Paris, Lisbon, Marseilles, and Brive. Only the HIAS-New York archives are catalogized. The others are still in 44 crates in the basement of YIVO. Most of the archives of the National Coordinating Committee were destroyed. The remaining 15 boxes are in our basement. Most of the archives of the NRS and the USNA are in our building; the rest in the Business Archives Center.

3 - We know that not all individual records are available because many of them were purposely destroyed both in Europe and in the United States. Another source of information would be the archives of the cooperating committees in Canada, Australia and the Latin American countries, so that if in certain cases records were destroyed in the emigration countries, part of them can still be located at the point of arrival. As far as general information about cost of transportation, reception and integration is concerned, it is recommended that specialists who were active in the field since 1933, such as Mr. Trogger, Irving and Emanuel Rosen of the JDC; Dr. James Bernstein, Mr. I. Dijour; Mr. Jacob Mase of the HICEM and HIAS; Miss A. S. Petluck, *formerly* of USNA, should be consulted.

It is evident that in order to ascertain and make useable the available archives material, a sizeable staff will be required. It is not possible at this time to estimate the cost of the whole project. The first step would be to arrange a preliminary survey of the material available in New York. Only then, the cost of the whole project could be determined. It should be established now how and by whom the entire project will be financed.

LD:EP

cc H.M. Friedman
A.S. Petluck

BENJAMIN B. FERENCZ
ATTORNEY AND COUNSELOR AT LAW
60 EAST 42ND STREET
NEW YORK 17, N. Y.
MURRAY HILL 7-2393

~~GEN. & EMERG.~~

May 27, 1957

Mr. M. Leavitt
Executive Vice President
American Joint Distribution Committee
3 East 54th Street
New York, N. Y.

Dear Moe:

As suggested by you I am enclosing a brief memo outlining the problem faced by Nazi victims seeking compensation for their emigration costs. I look forward to our meeting in your office for lunch on Friday, May 31 at 12 o'clock to discuss the matter in further detail.

Cordially yours,

Ben

Benjamin B. Ferencz

BBF:js

Enc.

cc. Mr. J. Rice

MAY 28 1957

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MEMORANDUM

Subject: COMPENSATION FOR EMIGRATION EXPENSES OF NAZI VICTIMS

The West German Federal Compensation Law provides that a persecutee who was forced to emigrate from Germany between January 30, 1933 and May 8, 1945 has a claim to a refund of the necessary expenditures entailed by the emigration. It is not necessary that the cost be paid by the persecutee himself although the courts may require that there be an obligation to reimburse whatever agency covered the actual emigration cost. The maximum compensation payable to any individual is DM 5,000 (\$1,200).

In order for a person to receive compensation he must establish why, when and how he left Germany and the cost involved in getting him established at his new destination. Many of the persons concerned are not aware of their rights since the emigration costs were borne by various Jewish organizations. Even if they have submitted or plan to submit a claim it will surely be necessary for them to obtain the assistance of the organizations in obtaining the documentary evidence necessary to substantiate the claim. This raises a rather immediate problem of the extent to which the Jewish organizations concerned are prepared to render assistance or to participate in the presentation of such claims.

The problem can be divided into several distinct phases:

1. A listing of the organizations which were connected with the emigration of Jews from Germany and a search of their records for whatever supporting evidence may be available. This would include such agencies as the Joint and HIAS records in Germany, Paris and New York, the Hilfsverein, the Palestinaamt, the HICEM records, wherever they may be, and the archives of such institutes as the YIVO which may have supporting information. Ship manifests and records of immigration officials are other sources of valuable information.
2. Once an inventory has been made of all the available evidence from the records of all the agencies which were involved, it will be necessary to trace and locate the emigrees themselves. Since they are now scattered throughout the world, this work will have to be done in co-ordination with other Jewish organizations in the local areas and through public information media.
3. Once the claimants themselves are reached, arrangements must be made to see that the necessary claims have been submitted together with proper documentation. An arrangement may also have to be made with the claimants for them to repay some portion of the amount recovered from the German government to the organizations which incurred the expense, and a procedure or machinery for collecting may have to be established.

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4. The final phase will be the reaching of settlements with the German government. Since the emigration invariably consisted of the movement of whole groups of persons practically all of whom had identical costs and experiences and for whom the documentation is identical, and since the debtor in each case is the German government, it should be possible to settle these claims en bloc.

The entire operation will require international co-ordination and extensive negotiation with claimants and the German government. There will be problems of the rate of exchange, currencies used to cover transportation costs, the establishment of a liability on the part of the individual to the organization which helped him, and of inducing the German government to depart from their normal procedure of settling each case on its individual merits before various tribunals over a long period of time. Since as many as a hundred thousand persons may have received organizational assistance the potential recovery is very substantial. In any case, it should run into millions of dollars.

The whole matter can be most effectively handled by the co-ordination of interested organizations and a decision to assist the claimants and to pursue this matter further is of great importance and urgency.

[Handwritten signature]

April 13, 1954

MEMORANDUM

To: Four Organizations

From: Saul Kagan

A hearing on the heirless property bill S. 2420 has been called by the Subcommittee of the Senate Judiciary Committee for April 14, 1954. Attached please find statements by Dr. Herman Gray and Mr. Abraham Hyman who are testifying at this hearing. I am also attaching the text of a letter by General Clay.

Saul Kagan

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April 14, 1954

STATEMENT OF ABRAHAM S. HYMAN, MEMBER OF THE AMERICAN JEWISH CONGRESS, AT THE HEARING BEFORE THE SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY, ON S.2420

My name is Abraham S. Hyman. I am a member of the American Jewish Congress and have been asked to appear on its behalf in support of S.2420, because of my familiarity with the problem dealt with in that bill.

I first encountered that problem in 1946. Then in Germany with the armed forces of the United States, I had an assignment which acquainted me with the progressive stages leading up to the promulgation of a restitution law for the U. S. Zone of Germany.

While the war was in progress, the United States had joined sixteen other nations in asserting the right to declare invalid all transfers of property in enemy-controlled areas. In line with this declaration and with a Joint Chiefs of Staff directive, General Lucius D. Clay, promptly upon his assumption of duties as U. S. Military Governor, devoted himself to the task of securing a restitution law for the U. S. Zone of Germany. His first effort was with the German Laender comprising the U. S. Zone. He tried to induce them to enact a law which would restore to persons persecuted for racial, religious or political reasons the property in the Zone of which they had either been wrongfully deprived or which they had transferred under duress. He further proposed that property belonging to persecutees who had died heirless be turned over to successor organizations representative of the groups to which the former owners belonged, for the relief, rehabilitation and resettlement of the surviving members of the respective groups. When, after a lapse of time, General Clay became convinced that the German authorities would not enact a law embodying the minimal provisions which he felt such a law should contain, he decided to promulgate such a law in his capacity as Military Governor. However, before doing so, he approached his counterparts in the other occupation zones with the view of getting concurrence on a quadri-partite restitution law applicable to the whole of Germany. Had Clay been prepared to yield on the issue of heirless property - had he, for example,

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been willing to accept the Russian formula, that such property shall escheat to Germany - in which case Germany would have profited by its own genocide - or the French and British formula of limiting the expenditure of the proceeds on behalf of the survivors living in Germany - in which case the provision would have been an empty gesture - he could have achieved either a bizonal or tri-zonal law. However, General Clay quite properly felt that he could not reconcile either position with that asserted by the United States representatives at the 1945 Paris Reparation Conference. There we had successfully maintained that heirless property in neutral countries belonging to enemy nationals who had been the object of persecutory measures, are distinguishable from other enemy assets in those countries, and that while the latter may enter the general reparations pool, the former must be used exclusively in the rehabilitation of the non-repatriable victims of Nazism. In any event, when he found that the occupying powers refused to accept his formula on the use of heirless assets of persecutees, he reluctantly sacrificed the advantages of a multi-zonal law and promulgated Military Government Law 59. This law treats heirless property of persecutees, situated in the U. S. Zone of Germany the same way as S.2420 proposes to deal with similar property situated in the United States.

It is not necessary for me to extol the virtues of Military Government Law 59. It is my earnest belief that there is no law which the United States promulgated as an occupying power of which the American people can be more proud than that law. The best proof of its quality is that eventually both the British and the French authorities adopted replicas of it in their respective zones of occupation.

I next encountered the heirless property question while serving as the General Counsel of the United States War Claims Commission. I joined the staff of this Commission in November 1950 as General Counsel and served from that time until May 1953. The War Claims Commission, as you know, was established by the

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War Claims Act of 1948, to administer the claims of prisoners of war, of civilian internees, and of certain religious organizations in the Philippines. The source for the payment of these claims is the War Claims Fund, established by the War Claims Act. The fund consists of the proceeds of the German and Japanese assets seized under the Trading with the Enemy Act. For obvious reasons the War Claims Commission jealously guarded the proceeds of the German and Japanese assets. To my knowledge, the Commission gave its approval to only one bill, the enactment of which would reduce the amount of the assets available for the payment of war claims. That single exception was in the case of a measure identical with S.2420, introduced in the 81st Session of the Congress. I hasten to add that the Commission's favorable report was not the result of any persuasion on my part, for the Commission submitted its report on that bill before I joined its staff. The Commission apparently recognized that it would not be in accord with our sense of justice to treat property belonging to families which had been completely annihilated by the enemy as "enemy property" and to use the proceeds of this property to pay the war claims of men who had fought to arrest the Nazi complex of which the former owners were the victims.

I should like to add that while with the War Claims Commission, I directed the Study on War Claims Arising Out of World War II. The Commission's Report, based on this Study, is House Document 67, 83rd Congress, First Session. In connection with this assignment, I made an analysis of the Treaties of Peace concluded with the Satellite Countries in 1947, and found that principally as a result of the United States initiative, the Hungarian and Rumanian Treaties incorporated provisions with respect to heirless property of persecutees, situated in these countries, virtually identical with the provisions of S.2420.

More currently, as a member of the American Jewish Congress, I encountered the heirless property question in the negotiations between representative Jewish organizations and the Austrian Government with respect to the heirless property

of Jews who lived in Austria and who were the victims of Nazism. These negotiations are now in progress. The American Jewish Congress gratefully acknowledges the fact that the Eisenhower administration, as the preceding administration, has, through the State Department, actively supported the effort to have Austria make available for the surviving victims of Nazism at least part of the value of the heirless property of the victims of Nazism situated in Austria.

It is apparent, then, that the United States has had an unbroken record on how to deal with the heirless property of the victims of Nazism. To its credit, the United States has been the first and the chief protagonist of the principle that such property must not be merged with the funds of the state where the property is situated but, rather, must be employed on behalf of the survivors of the groups to which the persecutee owners belonged. I am certain that it is not the wish of the Congress to make the only exception in the case of the heirless property which happens to be within the continental limits of the United States. To make that exception either by an affirmative act or by the failure to act would be an instance of ambivalence which would be very difficult to explain; even harder to justify.

Experience with Military Government Law 59 reveals that the problem of heirless property arises principally with respect to the property of Jewish victims of Nazism. This follows from the nature of Hitler's merciless war against the Jews who came under his control. While he destroyed individual members of the Christian faith, either because they protested openly against his brand of nihilism or because they held political beliefs which he regarded hostile to his regime, as a general rule he directed his attack against the specific individuals and left the families of these Christian victims intact. [NOTE: The survivors are eligible to the recovery of the vested property under a 1946 amendment of the Trading with the Enemy Act.] By contrast, he regarded all Jews, men, women and children, as unworthy of life, and therefore exterminated them en masse. The tragic consequence of this policy was that in countless cases entire Jewish

families were wiped out.

The American Jewish Congress shares the view of Jews everywhere that the United States established an enviable record in pursuing a post-war policy which has resulted in giving new hope to the surviving Jewish victims of Nazism. These people, uprooted from their homes, are trying to make a fresh start in their countries of adoption. Many are sick and disabled, while many more have the problem of adjusting themselves to their new environment. Independently of the strong moral argument in favor of S.2420, it is clear that while the sum which S.2420 will make available for the benefit of these people is an insignificant sum in the treasury of the United States, it will help substantially in bringing survivors of Hitlerism closer to their own goal, that of becoming self-sustaining human beings.

Moreover, the former owners of the property would, if they could speak up, ask that their property be so used.

We are confident that no member of Congress, familiar with the purpose of this measure, will raise his voice against it. We, therefore, urge this Subcommittee to report the bill favorably and thus give the Senate the opportunity to approve it at this Session of the Congress.

Statement of Dr. Herman A. Gray
for presentation before the Sub-Committee
on the Trading with the Enemy Act of the
Senate Committee on the Judiciary,
submitted on behalf of the American Jewish
Committee, on the amendment to the Trading
with the Enemy Act proposed by S. 2420.

My name is Herman A. Gray. I am a professor of public administration at New York University. I testify on behalf of the American Jewish Committee in my capacity as Chairman of its Foreign Affairs Committee.

We strongly support passage of the long pending amendment to the Trading with the Enemy Act proposed by S. 2420 which would permit charitable organizations to recover property that belonged to persons who were persecuted by the Nazis and who died without heirs, the funds so realized to be used for the relief and rehabilitation of the victims of Nazi persecution who have survived.

Enactment of the proposed legislation has repeatedly been urged by all interested government departments. The Department of State has stated that its passage "is highly desirable as an aid in carrying out the foreign policy of the United States." The Department of Justice has also been consistent in its support. (SR No. 784, on S. 603, 81st Cong., 1st Sess., pp. 7, 12, 13). Throughout the 80th, 81st, and 82nd Congresses the proposal had bipartisan sponsorship. It enjoys bipartisan sponsorship in the 83rd Congress as well. In both the 80th and 81st Congresses, bills to the same effect were passed by the Senate on the consent calendar. In the 81st Congress, a similar bill was approved by the House Interstate and Foreign Commerce Committee. It was, however, objected to on the consent calendar of the House and no consent was granted by the House Rules Committee. As a result, the bill expired with the 81st Congress. In the 82nd Congress, on the call of the calendar of unopposed bills, the bill was passed over on the floor of the Senate.

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Essentially the proposed legislation is based on, and carries forward to logical conclusion, a principle already translated into federal law. By legislative action taken in August 1946, the United States declared that it would not assert ownership over property owned by the victims of persecution, and would not use such property for the satisfaction of its own claims against the governments responsible for the persecution. On this basis, victims of persecution have been able to obtain the return of their property or, if dead, their heirs have been able to do so. Had the original owners or their heirs remained alive, they would have reacquired their property under the 1946 amendment to the Trading with the Enemy Act, because of the distinction which Congress has so justly made between property belonging to persons who were truly nationals of enemy states and the property of those who, though technically enemy nationals, were in fact enemies of the enemy and treated as such by enemy governments with unparalleled brutality.

The properties to which S. 2420 addresses itself, belong to a special category. They are properties to which there are no claimants, because their owners were killed in mass extermination camps, together with their entire families. These assets represent, by and large, the small savings of persecuted persons who, still hoping to escape and with faith in the American way of life, sent their last reserves while they still could to the secure haven of the United States.

The purpose of S. 2420 is to deal with this category of properties consistently with the letter and spirit of already existing law and in harmony with its underlying ethical principle. This principle American foreign policy has steadily enunciated and supported everywhere, in international agreements, treaties of peace, military government measures and through diplomatic channels.

The justice of the proposed amendment becomes particularly clear when it is remembered that had these properties remained in Western Germany, title would have been vested in a successor organization established for the benefit of persecutees under U. S. Military Government Law No. 59, or under companion restitution laws enacted, on its model, in the British and French zones of occupation. These measures resulted from policies developed largely at the initiative and with the support of the United States Government. Had these properties not been sent out of Germany, they would already have been utilized for the relief and rehabilitation of those who had the good fortune to survive the Nazi terror. Surely, the fact that these properties are physically located in the United States should not keep them from being used in the same way for the benefit of the chief victims and first enemies of our enemies in World War II. Quite to the contrary, the fact that these properties lie within the borders and under the complete control of the United States, should guarantee that they will be dealt with in accordance with the policy which enlightened and moral American leadership has applied to like properties found within the confines of the occupied territories.

Americans will view these assets as a special and sacred bequest left by those mercilessly slaughtered by our former enemies, to relieve the needs of the handful who managed to survive. The Federal Government of Germany, in recognition of the basic moral issue involved, has itself fully adopted this view and is doing its best to give it effect. We who fought and won the war for ethical principles can do no less.

On these grounds, we respectfully submit that the action proposed by S. 2420 has already been much too long delayed and we urge the speedy enactment of this measure.

April 9, 1954.

325934

April 13, 1954

Dear Senator Dirksen:

I am advised that your Subcommittee is to conduct a hearing on S. 2420 on April 14. I understand that this bill is essentially the same as S. 603, passed by the U.S. Senate in August 1949, and as H.R. 1849 and H.R. 2780 introduced in the House of Representatives during the 80th Session of Congress.

On May 15, 1950 I testified before the Subcommittee of the House Committee on Interstate and Foreign Commerce in favor of S. 603, H.R. 1849 and H.R. 2780, presenting a formal statement of the reasons which led me to support these bills. At the risk of being presumptuous, I am enclosing a copy of this statement.

I do this because it seems to me that the allocation of heirless property of persecutees to the relief and rehabilitation of the surviving victims of persecution, is sound public policy. It is consistent with policy followed by our Government in Germany with respect to heirless property. I do hope we will adhere to this principle.

Sincerely yours,

Lucius W. Clay

Honorable Everett Dirksen
Chairman, Subcommittee on Trading with the Enemy Act
Committee on the Judiciary
United States Senate
Washington, D.C.

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MINUTES

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Handwritten notes and signatures:
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[Signature]
[Signature]

Meeting of the Four Organizations, Wednesday,
July 25th, 12:30 P.M., at the offices of the
Joint Distribution Committee

Present were:

| | |
|------------------------------|---|
| Jewish Agency for Palestine | Mr. Maurice M. Boukstein |
| Joint Distribution Committee | Mr. Moses A. Leavitt Mr. Robert Pilpel |
| American Jewish Committee | Dr. Simon Segal |
| World Jewish Congress | Dr. Nehemiah Robinson |
| Secretary | Mr. Eli Rock |

1) The first item on the agenda concerned approval by the four organizations of an "aide memoire" concerning the scope and nature of Jewish restitution and indemnification claims, which had been requested by Dr. Keren of the Israel Embassy in Washington. Mr. Rock and Dr. Robinson had prepared such a memorandum, containing chiefly statistical information and conjectures, and requested approval of the organizations so that it could be signed and mailed to Dr. Keren. Mr. Leavitt raised the question that actually little definitive information was available concerning the potential recoveries, and Mr. Rock pointed out that this was stressed in the memorandum. The meeting agreed to the memorandum in its proposed form.

2) The second item on the agenda involved the problem posed by the current London Conferences on Germany's pre-war debts. While the first preliminary talks had now ended, the conference was scheduled to begin work in September, and the possible role of Jewish groups was to be considered.

Mr. Rock read a letter which had just been received from Mr. Ferencz, outlining the possible position which might be taken by the JRSO, and at the same time indicating a reluctance to take any action at the moment, on the basis of information and advice received from certain officials. Mr. Ferencz also indicated that he expected to receive and study detailed minutes of the preliminary conference and hoped to get some further ideas therefrom.

Mr. Boukstein raised a question as to whom we would approach, were we to desire participation, and Mr. Rock replied that it would probably be the State Department.

Dr. Segal then requested some further clarification as to the nature of the Conference in September, which Dr. Robinson then proceeded to give. He indicated that there were different stages contemplated in these conferences. The first preliminary one had in fact now terminated, but the conferences in September were

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also still preliminary in character, and it was anticipated that it would take at the very least one year before anything definite were accomplished. The parties represented in those conferences are primarily the allied governments, with the Germans in the role of observers and the possibility of other groups entering as observers.

Mr. Leavitt indicated that in his opinion the Jewish organizations should simply once again advise the State Department, the Germans, HICOG, and whatever other authorities might be concerned, of the existence and the nature of the Jewish claims, so that these might be put on record, and consideration given to their existence in any discussions which might take place.

Dr. Robinson stated that there were three considerations to be kept in mind in connection with the London conference. a) Anyone receiving settlement of his claim under these circumstances, will have to take a very substantial reduction of his claim; b) it will take years until the claims are settled; and c) the main problem for Jewish groups, in his opinion, was not one of recognition of claims, but of transfer of assets. And it was in the latter connection that he feared the Jewish interests might be excluded by the arrangements reached at London.

Mr. Leavitt replied that he was not overly concerned over the transfer aspect of the matter. It would appear to him that the pressure of enormous holdings of marks and property in Germany by Jews would exercise sufficient pressure to insure some transfer concessions at some future date, and that moreover it would not be possible to set up transfer schemes for certain groups of creditors while excluding the Jewish interests.

Mr. Boukstein felt that the main problem confronting the organizations lay still in another direction. It consisted of the question of how the Jews, who were not directly represented by a government, were going to be represented at the conference to advance their claims against the Reich, which did not actually fall exactly in the category of pre-war debts. He referred to Dr. Landauer's opinion that such claims as the Reich Flight Tax should be recoverable by such claims against the Reich. He feared that if the Jews did not present their claims in some form or another, they would subsequently be barred from advancing their claims. At the same time, he felt that there were considerable technical difficulties in the way of being invited to participate.

Dr. Robinson stated that he disagreed with Dr. Landauer's position. The claims named by Dr. Landauer are all covered by the General Claims legislation, and recoveries can be made under that law. As for the problem of presenting the claims, it might not be too difficult, if it were decided to do so. The JRSO, as an American organization, could be represented by the State Department. The government of Israel, which has been invited to attend as an observer, would represent the interests of its nationals. Clearly, no decision could be made in favor of the Jews in Israel, which would not also be in favor of the Jews in other countries.

Mr. Boukstein then raised the question whether Dr. Robinson felt that the Jewish organizations should not take up this problem. Dr. Robinson stated that he

did not see how they possibly could do so, since they had no authority to speak for individual claimants, who had their private claims, and who had delegated no such authority to the organizations. To this Mr. Boukstein replied that the organizations nevertheless had a certain moral responsibility which would warrant their intervention if something could be accomplished by it.

Mr. Leavitt raised the question of what types of claims could be considered in this connection. Dr. Robinson stated that it were mainly claims under the general claims law and claims against the Reich under the restitution legislations.

Mr. Rock pointed out that, in his preliminary memorandum to the organizations prepared for the instant meeting, he had attempted to reduce the problem to a problem of transfer. In view of the fact that the London conference was to deal with the "foreign" obligations of Germany, and had the goal of establishing Germany's foreign credit position, the transfer of restituted and indemnification assets was to be considered a "foreign" obligation of Germany.

Dr. Robinson suggested as a possible goal that, whatever arrangements might be reached in London, it should be noted at that time that other claims on Germany, i.e. the Jewish claims, still remain unsettled.

Mr. Leavitt again raised the point that, should a favorable decision be made regarding Israeli citizens, such a decision would have to apply to Jews throughout the world.

Mr. Boukstein then cited the example of an individual, who formerly resided in C.S.R. and who is now a citizen of this country. The Germans confiscated this man's property, and he has now a claim against them. However, at the time the loss took place, this individual was not a U.S. national, and it might very well be that the State Department would not be willing to represent his interests.

Mr. Leavitt pointed out that unless the Jewish interests could in fact get the support of the State Department, they could not expect to obtain anything. Certainly no other methods would have any effect.

Dr. Segal felt that the approach therefore might best be to obtain the agreement of the State Department to the principle that whatever decisions were made on behalf of allied nationals, should also apply to everyone else, i.e. to stateless refugees, etc.

Mr. Boukstein stated that he was completely in agreement with the point advanced by Mr. Leavitt, i.e. that an approach should be made to the allied governments, particularly the State Department. However, he further felt that some representative of the organizations should be in London, even without any official capacity, in order to be able to observe the proceedings and keep the organizations advised. There was full agreement with this point.

Mr. Leavitt felt that the next step would seem to be for someone to prepare a memorandum on this subject, circulate it to the various groups in the different allied countries, so that work with the allied governments could be begun.

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Mr. Rock stated that he personally felt not too anxious to submit these claims for consideration at the London conference. The atmosphere there would be a commercial one, involving Germany's credit position, and would clearly be hostile to the Jewish interests. Even if the claims should be recognized, there would follow only a partial, long-term payment. He felt that the best approach was the one which had been used up to now, i.e. to emphasize the special character of the Jewish matters and to keep them completely separate from commercial claims, etc. If the Department should decide to bring these matters up at London, that would be a different story, but for the Jewish groups themselves to do it would be most risky, at least until further information was available.

Mr. Leavitt raised the question whether, if the Bonn government were established at the London conference as successor to the Reich for the purpose of the external debts, it could not be automatically regarded as successor to all other Reich liabilities and become obligated to pay. Dr. Robinson pointed out that the Bonn government had always been most anxious to avoid such a general successorship principle. It therefore would assume liability only in the case of some specifically named and agreed upon debts, the definition of which would be the task of the London conference.

Mr. Boukstein stated that he agreed with the position taken by Mr. Rock, provided it was made clear that such an approach would not bar the Jewish groups from submitting their claims at a later date. His concern was that the Jewish groups might in fact be barred if they did not indicate at this time that their claims existed.

Mr. Leavitt pointed out that even Mr. Ferencz had become reluctant to approach the London conference with as relatively simple a problem as the JRSO claims. The danger which would obviously exist would be to be denied consideration on technical grounds and to be thus ruled out before the case has even begun. Therefore he felt that no action should be taken until September, at which time the situation should once more be reviewed.

Dr. Robinson pointed out that there was no danger as far as recognition of claims was concerned. All the Jewish claims were fully recognized and established. However, the Jewish organizations would want to be sure not to be excluded from any transfer schemes which might be developed at London. And if they did not voice these claims at London, they might somehow be left out of these arrangements.

Mr. Leavitt felt that there was not too great a danger of this. The economic pressure of the accumulated holdings of Jews in Germany would be so great that some action regarding them would have to be taken, if the Germans were to avoid a perpetual black market in blocked currency.

Dr. Segal stated that while no decision was taken at the moment regarding the conference at London, he felt that in the meanwhile there should be some discussions with the State Department, regarding the principle of equality of treatment, be it in recognition or in transfer possibilities, of all claimants regardless of nationality.

CONFIDENTIAL

MEMORANDUM

July 20, 1953

To: American Jewish Committee
American Jewish Joint Distribution Committee
Jewish Agency for Palestine
World Jewish Congress

From: Saul Kagan

Subject: Heirless Property Bill in U.S. Congress

1) The four organizations have decided at the beginning of this year to make an intensive effort to bring about the passage of a bill turning over heirless assets of victims of Nazi persecution, which have been seized under the Trading with the Enemy Act.

2) The effort was directed in the first instance to bring about the introduction of bills under important Congressional sponsorship in the Senate and the House. The effort in the Senate was aimed at persuading Senator Taft to continue as the sponsor of this measure as he did in the 82nd Congress. Senator Taft's office suggested that we first determine whether Sen. Johnson, the Senate Minority Leader, will be prepared to co-sponsor the bill. During the past two months Mr. Rubin and Mr. Schwartz were in touch with Sen. Hennings, whom the Senate Democratic Policy Committee requested to make a recommendation with respect to this matter, following Mr. Blaustein's representations with the Chairman of the Democratic National Committee. Sen. Hennings as well as the staff of the Senate Judiciary Committee had recommended the introduction of this bill. Sen. Taft's illness made his active interest in this measure highly improbable. Sen. Hennings obtained the sponsorship of Sen. Langer (Rep.) and Sen. McCarran who, together with him, introduced in the Senate on July 18th Bill #S2420.

3) In the House Mr. Hyman succeeded in persuading Mr. Wolverton (Rep.) to introduce the necessary bill as Number H.R. 5675 and Mr. Crosser (Dem.) under Number H.R. 5952. Representatives Wolverton and Crosser are the chairman and leading minority member, respectively of the House Committee on Interstate and Foreign Commerce, which will have to report out the bill.

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It is clear that no further action on these bills is possible in the House and Senate prior to the adjournment of Congress.

It will be necessary for the four organizations to meet early in September to work out a detailed program for action on this bill during the next session of Congress.

SK:nc

Saul Kagan
Saul Kagan

Mr. Boukstein stated that he would discuss this matter in Jerusalem.

Mr. Rock stated that discussions in Washington were a very valid suggestion. At the moment, however, care should be taken that this matter not be confused with the pending JRSO transfer license, and that the latter be permitted to go forward without interference. Therefore caution would have to be exercised in these discussions. He suggested that upon the return of Sy Rubin, he and Dr. Robinson might go to Washington and together with Mr. Rubin have a conference with some lower level people of the State Department to discuss the question informally and off-the-record.

3) Heirless Jewish assets in Switzerland.

Mr. Rock pointed out that at a previous date, about a year ago, the Jewish organizations had agreed to cease their activities in this matter in order to permit the Israeli government to carry forward its own negotiations in this respect. The Israeli government, however, had not been able to accomplish anything in the matter, and the problem was now returned to the four organizations for whatever action they might feel able and willing to take. Mr. Boukstein stated that he had been advised that the only effective procedure which might be followed would be to retain a competent Swiss attorney to sound out the situation. Mr. Leavitt pointed out that the problem was further complicated by the fact that the Swiss Jewish community, which was entirely without influence in the government, was resentful of interference by the outside organizations. However, he felt that it might be worth while to retain a lawyer in Switzerland. Dr. Robinson stated that he did not feel such a course would bring any further results. It was recognized by the groups that no approach would be likely to be effective until the U.S. had first enacted some legislation of its own regarding heirless assets in this country, and that until then there was not much point to any further efforts. However, there was the question of the impending possible deal between the Swiss and the Hungarians, and it was suggested that a letter be sent to Jerry Jacobson, asking him to get in touch with the Swiss Jewish community in that matter and to advise New York.

4) Jewish claims under the War Claims Act.

Mr. Rock outlined the history of the War Claims Act and its present scope and possibilities. Dr. Robinson referred to a new approach which had been suggested to the War Claims Commission in this respect. This approach was that everyone who had a claim was entitled to receive compensation, regardless of the actual amount of enemy assets held in this country. A Congressional appropriation might be required to meet a possible deficit. Such an approach had ample precedent in war compensation legislation all over the world. As for the possible role of Jewish claims, i.e. claims by Jews who suffered damages and who are now citizens or residents of this country, Mr. Rock pointed out that it was clear that the first effort would have to be made to convince the WCC that these were in fact valid claims.

It was decided that when Mr. Rock and Dr. Robinson would meet with Sy Rubin in Washington, there should be some preliminary exploration of this problem with the staff of the WCC.

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5) Mention was made of the fact that the proposed amendment to Section 32 of the Trading with the Enemy Act had again been introduced in Congress, and the organizations would again make an effort to have it passed.

6) The last item of the agenda involved the problem of the Woolworth Co.'s attempts to defeat restitution in Germany. The detailed material which had been received from Germany in this connection was turned over to the American Jewish Committee, with the understanding that they would attempt to find some informal contacts with some highly placed individuals of the Woolworth Co., to take up this matter with them.

C O P Y

HEADQUARTERS
JEWISH RESTITUTION SUCCESSOR ORGANIZATION
APO 696A U.S.ARMY

July 13, 1951
File 7000

Mr. Eli Rock - JRSO NY

Dear Eli:

JRSO Hq. Letter 967
Woolworth acquisition of
Duress Property and Restitution

The Woolworth Co. acquired about 10 pieces of real estate from Jewish owners during the time when the latter were under Nazi duress to sell. When called upon to restitute these properties the same as other Aryanizers, the Woolworth Co. has generally refused and has engaged in a very widespread campaign to defeat the objectives of the restitution law. They have made high level representations at HICOG and have, in their arguments before German courts, sought to discredit the entire restitution procedure.

I have before me a brief submitted by their lawyer in Berlin in a typical restitution case. You will notice from the attached copy that they are very critical of CORA decisions and say that the preparation of the restitution laws was done in America immediately after the war, at a time when the Allies were uninformed about what happened in Germany during the Nazi time. They say that the law was prepared by "Jewish interested groups (the Morgenthau group)" who were not free from personal resentment. The brief further says that the law will generate anti-Semitism "such as we never had". They also say, "CORA is an American special court. It was staffed with American judges (for the most part with persecutees)". They quote from Die Restitution, the journal of the Association for Loyal Restitution and say that although there has as yet been no change in the restitution law "it may shortly be counted upon". They say that the CORA decisions will in part create new immense injustices and argue that it is not the purpose of the law to "give a one-sided benefit to a group of people who are no longer established in Germany."

You will notice from the tenor of their argument that they are attempting to undermine the whole restitution procedure.

Confidentially, I had heard about their discussions with Cattier and Miller in support of their position and it was equally disgusting. I do not think we should sit idly by and permit the Woolworth Co. to try to use its weight in defeating one of the elementary moral obligations of Germans and Germany.

It seems to me that this is a problem which the World Jewish Congress, the American Jewish Committee or the Anti-Defamation League would be best qualified to handle. It might be worth while for them to prepare a letter to the Woolworth Co. and/or their lawyers, in which strong opposition is voiced to the tactics and arguments being employed by Woolworth. At the same time the letter, together with their brief, should be released to the New York press. I do not think a private talk with some of the company directors would do any good but if there is some special line to them, it might be worth trying --- particularly if it is difficult to get any press coverage on the story. I think the Aufbau might be particularly interested in such an item.

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Should I get any additional information, I will pass it on to you. In the meanwhile, I am sending you a covering letter which I received from the Legal Aid Dept. calling this to our attention, the brief submitted for the Woolworth Co. in a Berlin case, an affidavit of one of the Woolworth officials explaining his participation in Aryanization, an opinion from the New York law firm representing Woolworth to their German correspondent, and a list of some of the restitution cases we know to be pending against Woolworth.

I am looking forward to your comments and a report of the action taken in New York.

Cordially yours.

BENJAMIN B. FERENCZ

Items for Discussion by Four Agencies

1) London Conference on Pre-war Debts

For some time now there has been discussion about the possible role which Jewish organizations should seek in connection with the forthcoming London conference regarding prewar German debts. In simplest form, the problem is one of deciding whether the Jewish organization should attempt to argue that the various Jewish claims on Germany have a priority over other claims and should be settled independently and separately by the Allies and Germans from the commercial types of claims, or whether they should advance their claims at the London Conference, lest the governments there represented regard Germany as being a very limited pie and dispose of that entire limited pie among the pre-war creditors, leaving no portion for the Jewish claims. Assuming that the latter approach were adopted, and the Jewish organizations did decide to attempt participation in the London meetings, there would be the further and basic difficulty of attempting to persuade the London conferees that the Jewish claims come under the category of "pre-war debts" or can otherwise be brought within the legal framework of the conference's jurisdiction.

The problem is a multi-sided one and differs as between the various types of Jewish claims. The claims which are perhaps the easiest to reach a decision on are the restitution cases where the Reich was the confiscator and the claimant, under the restitution laws, has been able to or can obtain a judgment against the Reich; in these cases, particularly if the confiscation was one which took place before the war, there would appear to be a favorable basis for arguing that Bonn should now "assume" the full debt and that these are in fact pre-war obligations of Germany. The JRSO may have several millions of marks worth of claims in this category, and it can be anticipated that there will be a considerably larger sum from individual restitution claimants, as well as other successor organizations. Ferencz has already independently begun steps to contact a member of the U.S. delegation to the London conference, and presumably the JRSO will press for recognition of its claims under this category. But no one, according to our information, has yet raised the question on behalf of the individual restitution claimants.

Of larger significance is the whole question of transferring out of Germany the general fund of individually-held Jewish restitution and indemnification assets. Although some of these funds will or undoubtedly have been sold under the new arrangements permitting the sale of blocked marks, it has been argued many times that the Jews should not deplete their recoveries in this way (present sales of blocked marks are at approximately 50% of the official rate), and that they should hold out for transfers at full value. The four organizations, in their memorandum to Mr. Webb of last April, did raise the question of individual transfer opportunities, but the point was not pressed and there has been no response from the State Department. Although estimates are difficult under these circumstances, it is believed that the total restitution and compensation assets which will be held by Jews may amount to five billion DM. Undoubtedly, any effort to have this sum considered by the London conference will be vigorously resisted by the representatives of the private creditors. Undoubtedly also it will be much more difficult to argue that this

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type of claim comes within the jurisdiction of the London conference, since the problem involved is not so much one of "debts" and "creditors" as it is one of taking out of Germany funds which have already been recovered and which are being held in blocked accounts. On the other hand, if the question is not raised at London, it is certainly possible that the "pie" which Germany will be regarded as being able to distribute abroad will be completely consumed, leaving perhaps nothing for later Jewish claims which might be submitted for transfers at full value.

Assuming that some kind of an approach to the London conference is agreed upon all around, there is then the further question of how this should be handled organizationally. It has been suggested that the Israeli government, which may be present as an observer at the London conference, should be requested to submit on behalf of outside Jewish organizations claims of the type described herein; on the other hand, Dr. Keren of the Israeli Embassy himself suggested that perhaps the organizations should ask for their own invitation. Assuming the latter approach is adopted, there is then the question of whether the JRSO should ask for a separate invitation, or whether it should be included in a single representation on behalf of all the organizations. Finally, there is the question of how the British and French Jewish organizations should be represented.

2) Possible Jewish Claims under the Terms of the U.S. War Claims Act

In connection with the War Claims Act, which was passed several years ago by Congress, provision was made for certain payments to American nationals out of the enemy assets held by the Alien Property Custodian. These payments dealt with special categories such as U.S. prisoners of war, American property holders in the Philippines whose properties were damaged, etc. The act also provided that the War Claims Commission institute an investigation regarding possible further payments for damages suffered at the hands of the enemy, said payments to be made out of the balance of enemy assets, remaining after the aforementioned payments were made. The WCC has been making such investigations and has already submitted an interim report. The question now arises as to whether the Jewish organizations should press the WCC to include in its report provision for some kind of payment to Jews now in this country who suffered losses as a result of the war. Thus, a request might be made that Jews in this country who were not able to obtain restitution in Europe (for example, holders of property in Eastern Germany) or whose property was damaged by bombing, etc. should be compensated out of the enemy assets which were vested in this country. The difficulty which arises in connection with a possible request along these lines is that most of the Jewish holders of property were not American nationals at the time that the damage to their property took place, and some are not even nationals today. Thus far it would appear that the WCC's approach to this general type of problem will be unfavorable, but on the other hand there would seem to be some basis for arguing that such an approach is not required by the Act itself and that it is certainly contrary to precedents abroad. If the Jewish organizations do decide to push this matter, they might conceivably ask for compensation for damages to anyone who was "permanently resident" in the U.S. at the time of the damage. Failing this, they might ask at least for compensation for individuals who are citizens today. An entirely different approach might be to request payment to claimants who happened

to have served in the U.S. Army or whose family served. At the very minimum, it would seem that those few restitution claimants who were in fact citizens at the time of confiscation should now receive compensation.

A possible separate item involves claims by the JRSO for war damages, not otherwise compensated, to property recovered by it in Germany. Here too, the argument may be made that the JRSO was not in existence at the time the damage occurred, and that it therefore does not qualify.

The above may all seem like "pie in the sky", and the consensus of opinion may be that we should do nothing at the present time. On the other hand, it is to be noted that numerous other groups, religious and business, are pressing hard for a share out of these enemy assets and that in many instances the claims will probably not be any more valid, and undoubtedly in some cases less valid than those here discussed. Finally, it must be reemphasized that, according to Dr. Robinson, numerous precedents do exist under European war damage legislation for payments of the very types discussed here.

3) Heirless Property in the U.S.

In connection with the amendment to the Trading with the Enemy Act, which the Jewish organizations have so long been pressing, it is to be noted that the legislation has again been introduced in the present session of Congress and that a new effort will be made to get it through this coming fall. Nevertheless, the same difficulties which previously stymied our efforts may again be counted upon to exist and the question might well be asked whether the Jewish organizations should not consider new techniques and devices for getting at these assets. Such techniques might be used in addition to and concurrently with the legislative efforts in getting the amendment passed.

Specifically, it has been suggested that the War Claims Commission, in whatever final report it renders regarding the disposition of the residue enemy assets, should recommend a specific amendment designed to turn over heirless Jewish assets to a Jewish successor organizations, said proposal to be included together with all the other amendments to the Trading with the Enemy Act which the War Claims Commission will undoubtedly be recommending for its own purposes. In the event that such an approach is not feasible, it would certainly seem that efforts should be made to get the WCC to make at least a passing reference, in its report, to the separate amendment submitted by the Jewish organizations and to include a favorable recommendation thereon.

CONFIDENTIAL

Minutes of Meeting between Four Organizations and
Representatives of the Israeli Embassy regarding Question of Swiss
Heirless Assets

June 14th, 1950

Present were: Dr. Moshe Keren, Charge d'Affaires, Israeli Embassy
Mr. A. Liverhant, First Secretary, Israeli Embassy
Dr. Nehemiah Robinson, WJC
Dr. Eugene Hevesi, AJC
Dr. Joseph J. Schwartz, JDC
Mr. Eli Rock

The meeting was called for the purpose of discussing the approach which should be taken at this time vis-a-vis the U.S. State Department and the Swiss government on the question of heirless Jewish assets in Switzerland. Several months ago, at the request of the four organizations, the Israeli government had postponed a demarche which it was then contemplating making directly to the Swiss government on this question. In the interim it had been hoped by the four organizations that the situation in the U.S. might permit new approaches to the State Department and resultant new approaches from the State Department and the other Western powers vis-a-vis the Swiss.

To begin the meeting, Dr. Keren, on behalf of the Israeli Embassy, pointed out that in point of fact nothing had happened during the last several months to justify optimism insofar as approaches by the Jewish organizations under the Five-Power Agreement were concerned. To the contrary, he pointed out that only additional delay had been caused and that time was fast running against the Jewish interests in this entire matter. He and Mr. Liverhant pointed out further that the Swiss were apparently contemplating new discussions with other Eastern European governments with a view to possible agreements along the lines of the Polish-Swiss accord. Under the circumstances, the Israeli Embassy in Washington had now been instructed by its home government to approach the U.S. State Department with a request that the U.S. government support a new set of direct discussions between the Israeli government and the Swiss on this matter. The Israeli Embassy had also been instructed to attempt to secure the agreement of the Jewish organizations to this step; it was explained that if such a step were made it would involve the temporary withdrawal of the Jewish organizations, pending and during such discussions. The purpose of the meeting therefore was to afford the representatives of the Israeli Embassy an opportunity to clarify the matter with the Jewish organizations and to obtain their agreement.

Dr. Keren indicated that he had already received word that the Jewish Agency was in agreement with this approach. Dr. Schwartz, on behalf of the JDC, made it clear that the JDC was also willing to step aside at this time. Dr. Hevesi, while

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stating that such an approach--in the event it were not successful--should be without prejudice to subsequent renewed approaches from the Jewish organizations directly to the State Department, also expressed agreement on behalf of his organization.

In the case of the World Jewish Congress, Dr. Robinson indicated that he could not at this time commit his organization but that he would attempt to clear the matter immediately. At the same time, while indicating that the Agency and the JDC were more directly concerned in the matter and that in all likelihood the Congress could not stand in the way even if it wished to, Dr. Robinson raised some question as to the over-all advisability of the approach suggested by Dr. Keren and Mr. Liverhant. He pointed out in the first place that this type of a "national" approach by the Israeli government would strengthen the hand of the Swiss government insofar as possible "national" deals by the Swiss with other Eastern European countries were concerned; in short, any departure from the "international" approach hitherto pursued under the Five-Power agreement would increase the danger of new agreements similar to the Swiss-Polish accord. Dr. Robinson also expressed doubt whether once this approach by the Israeli government and the Jewish organizations were taken, it would again be possible for the Jewish organizations to take the matter up directly with the State Department, assuming failure of the Israeli efforts. By way of reply, Mr. Liverhant pointed out that there actually was no choice in the matter. Nothing had been accomplished in the past and the possibilities for future success under the previously-used approaches were minimal. At the same time, if new and drastic approaches were not taken, there was a real danger that the bulk of the heirless assets would be consumed by new agreements between the Swiss and other Eastern European governments. While the present proposal certainly could not insure that all of the heirless assets would be won for Jewish purposes, it would at least offer the possibility of a portion of the assets being saved. Dr. Schwartz also emphasized the unlikelihood of any further success through continued use of the traditional approaches on this matter.

Dr. Robinson indicated that one of the difficulties which stood in the way, insofar as the World Jewish Congress was concerned, was the fact that contemplated meetings are scheduled with the Swiss-Jewish communities for the purpose of organizing new and vigorous approaches by those organizations to their government. According to Dr. Robinson, the Swiss-Jewish communities have apparently undergone a revival of interest in this entire matter and give signs of being prepared to approach their government more strongly than ever before. It was the consensus of the remaining participants in the meeting that such an approach by the Swiss-Jewish communities should definitely be discouraged, particularly at this time, but that in any event, because of the time factor, there was no choice but for the Israeli government to proceed along the lines discussed above. It was understood that this approach would be taken and the hope was expressed by the remaining members present that the Congress would not only give its formal support to this approach but would also undertake immediate steps to discourage the planned actions of the Swiss-Jewish communities.

The specific steps contemplated at this time will include an immediate approach by the Israeli Embassy to the U.S. State Department. In this approach the Israeli Embassy will indicate to the State Department that it now wishes to approach the Swiss directly on this entire matter and that the Jewish Agency and the JDC are in

agreement; in addition, it is expected that the IRO will also sanction such an approach. Based on its interest under the Five-Power accord, as well as on other and political considerations, it is hoped that the State Department will lend its complete support to this new approach and will itself make arrangements with the Swiss suggesting the direct Swiss-Israeli discussions. It is further hoped that the State Department will obtain the support of the French and British governments for this new line. Finally, in view of the fact that the Swiss-Israeli discussions will, among other things, be based on the Five-Power agreement rather than being contradictory to it, and will make use of some of the same general arguments and supports previously used by the Jewish organizations in their representations on this matter, it is expected that the way will remain open for subsequent renewed approaches by the Jewish organizations directly to the State Department--assuming that is necessitated by failure of the Swiss-Israeli talks. Pending the outcome of the Swiss-Israeli discussions, it was understood that the above-mentioned agreement includes a commitment to take no further action and make no further approaches on the matter. It was also understood that there would be no publicity.

Notes on Meeting #49/10 of the Four
Organizations held Thursday, September 22, 1949
at 12:00 noon at the JDC Office

Present:

| | |
|----------------------------------|--------------------------|
| American Jewish Committee: | Prof. Herman Gray |
| | Dr. Eugene Hevesi |
| | Mr. Seymour Rubin |
| American Joint Distribution Com. | Mr. Eli Rock |
| Jewish Agency for Palestine | Mr. Maurice M. Boukstein |
| World Jewish Congress | Dr. Nehemiah Robinson |

The following items were discussed by the meeting:

1) Swiss Heirless Property. In connection with the recent discussions in Switzerland between the Swiss Authorities and the European representatives of the four organizations, and particularly in connection with the "deal" between the Swiss and the Poles regarding the turn-back to Poland of heirless Jewish assets in Switzerland, it was the strong feeling of Dr. Robinson that some further protests should be entered against the Swiss action. Mr. Rubin pointed out that the State Department had very recently sent a formal protest to the Swiss under the Five Power Agreement, and that attempts to get the British and the French to join such a protest would serve no useful purpose. It was then suggested by Dr. Robinson that an attempt be made to get the International Reparations Fund to protest to the Swiss, and in this connection the individual member countries of the fund should be contacted. It was agreed that the Congress and the Committee would get together for the purpose of making such representations in Europe. It was also suggested that Dr. Schwartz of the JDC be requested to speak personally with Stucki to see if something might not be done to head off the implementation of the Swiss-Polish agreement, or at least to prevent this agreement from serving as a precedent for similar action vis-a-vis other Eastern European countries; it was felt that Dr. Schwartz, because of past relations with Mr. Stucki, might be in a particularly advantageous position to make such an approach.

2) General Claims Law--Assistance to Individual Claimants. In this connection, it was recognized by all present that some over-all program should be arranged for assistance to individual claimants who will not be in a position to afford outside help and who at the same time should be protected from falling into the hands of unscrupulous elements working in this field. However, because of the problem of cost and because of the need for having a staff in Germany which would process the claims on the spot (the JRSO has indicated that it cannot become involved in this matter) none of the organizations present were in any position to commit themselves to participation in such a program. It was finally agreed that the United Restitution Office (URO) which is affiliated with the American Federation of Jews from Central Europe, should be encouraged to approach the United Service for New Americans with a view to forming a joint program between the two organizations. The matter was left with the Federation (whose representatives were present for this part of the meeting) agreeing to discuss the total problem with its officers, as well as with its affiliates in other countries. It is possible that the URO may consider using its world-wide organization for this program, and in any event, the Federation will report back to the group as to the URO's future plans and as to assistance programs which already exist for this purpose in other countries.

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3) Austrian Restitution. In view of the continuing unsatisfactory state of the heirless property question in Austria, it was agreed by the group that this whole matter should again be taken up in Washington. Prior to doing so, however, it was felt that the American delegation to the Austrian Peace Treaty Conference (about to be held in New York) should be contacted by the organizations. The plan is to arrange such a step within the near future, following which further steps will be agreed upon.

4) French Zone Restitution Legislation. In this connection, as well as in connection with the Equalization of Burdens problem, there is a real difficulty in approaching the State Department in Washington at this time owing to the almost complete disorganization currently existing in the Division of German and Austrian Affairs. Although Mr. Murphy is still in office, his pending departure, as well as the failure as yet to appoint a successor, leaves the Division in a situation where virtually no decisions are being reached. It was agreed that Mr. Rubin would check with the Department to ascertain what had become of the letter from Ambassador Bruce, and following his report on this aspect, some sort of representations to the Department would be attempted, with an eye a) to giving the Paris Embassy the green light for representations by Bruce to the French, and b) to having the Department instruct McCloy regarding possible pressure on French High Commissioner Poncet in Germany.

5) Equalization of Burdens Law - Germany. On this score it was felt that no steps can be taken until the situation in the State Department's Division of Austrian and German Affairs has changed. In the meanwhile, it was suggested that McCloy's office in Germany be contacted and "sounded out" as to the possibilities, from that side, of obtaining the necessary broadening in the definition of "United Nations nationals" under the present law.

6) Berlin Indemnification Situation. It was agreed that Mr. Ferencz would be requested immediately to submit a report as to the present indemnification situation in the western sectors of Berlin. It was the feeling of the group that some steps should be initiated as soon as possible by the four organizations for the enactment of legislation in these sectors.

Eli Rock

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MEMORANDUM

#1179

From Frederick Grubel

To Eli Rock

New York, July 6, 1948 19

Subject Report of German Claims According to the Snyder Plan

In studying once more the reporting requirements under the Snyder Plan, I should like to point out to you that I am not yet completely clear about the information which has to be compiled for such reports. May I give you the questions that come to my mind and I should appreciate receiving your rulings.

A. You told me that we will have to report all and any claims that any individual physically living within Germany has against the JDC.

- 1- I assume that this category includes definitely special reserve claimants who are presently living in Germany and who turned over monies to JDC representatives before or during the war, regardless of their nationality and regardless of the country in which they surrendered the monies to our representatives. That is, a Polish citizen who turned over zlotys to our Polish representatives in Warsaw in 1940 and who is now an inmate of a German DP camp is "reportable". Is this assumption correct?
- 2- Does the reporting duty include any credits established for residents of Germany after cessation of hostilities; that is, postwar clearances as well as credits accumulated on our books as compensation for services rendered by DPs to our German field offices?
- 3- I assume that any claims against the JDC on the part of our foreign service personnel are not "reportable" even if such personnel is claiming bona fide residence (for tax purposes) in Germany. Is this assumption correct?

B. You further told me that we have to report all and any claims which were registered for any individual who is a citizen or subject of Germany and who at any time on or since December 7, 1941 has been within the territory of Germany or within any other territory while it was designated as enemy territory under General Ruling No. 11.

- 1- Who is a German citizen? Do you consider as German citizens former German nationals who were deprived of their German citizenship by Nazi legislation? (You are aware of the fact that the United States Courts refused to recognize the cancellation of German citizenship and that all during the war German Jews were considered as enemy aliens in this country.)
- 2- Since all territories which at any one time during the war were oc-

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July 6, 1948

cupied by Germany or Japan were considered at that time as enemy territory under General Ruling No. 11, I assume that any claimant of German citizenship who found himself on the continent of Europe, with the exception of Spain, Portugal and Switzerland or who found himself in Shanghai upon the end of the war, is "reportable". Is this assumption correct?

C. As you know, we are holding transportation deposits in favor of individuals who resided at the time of the deposit (before Pearl Harbor) in Germany.

- 1- These deposits were made in a few cases through Alltreu transfers by the people themselves in Germany. The individuals apparently did not succeed in leaving Germany and the amounts have not been claimed ever since. I assume that these claims are "reportable"; is this assumption correct?
- 2- The bulk of the deposits were put up by relatives outside of Germany, mostly in the United States. These deposits were earmarked for transportation and were never used for such purpose. The beneficiaries do not have the right to ask for any other use of this money but transportation. I assume that these deposits do not represent claims of the German citizens, whom we might consider dead, and are therefore not "reportable". Is this assumption correct?

cc E. Kelle
DHS
MET
FG: sb



Frederick Grubel

file

IN THE SENATE OF THE UNITED STATES

A BILL

To amend the Trading with the Enemy Act, as amended, so as to provide for allowance of certain claims by successor organizations to heirless or unclaimed property.

Abraham
Trading with the Enemy Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That Section 32(h) of the Trading with the Enemy Act, as amended, is further amended by adding at the conclusion thereof:

"The President or such officer as he may designate is authorized and directed to allow claims for return of property or interests presented pursuant to this subsection by a successor organization previously designated by the President, provided that 1) such claims have been timely filed by such successor organization; 2) no other claim for the return of the property or interest is pending; 3) no other claim for the return having prima facie validity has been filed for the same property or interest and not adjudicated; and 4) after examination of existing records in the Office of Alien Property, the President or such officer has not adduced information establishing the existence of an eligible individual claimant to such property or interest."

Handwritten initials and scribbles

JEWISH RESTITUTION SUCCESSOR ORGANIZATION
270 Madison Avenue
New York 16, N.Y.

Handwritten initials: JMS, DJS, MCF

August 13, 1954

MEMORANDUM

To: Members of the Executive Committee

From: Saul Kagan

The U.S. Senate, on August 12, 1954, approved the House of Representatives' version of S. 2420, the bill to amend The Trading With the Enemy Act. This action marks the completion of the Congressional process, at long last, with respect to heirless property in the U.S. It follows six years of intensive effort expended on its behalf by the American Jewish Committee, the Joint Distribution Committee, the Jewish Agency and the World Jewish Congress. The Bill has now gone to President Eisenhower for signature. A copy is enclosed.

The Bill empowers the President to designate one or more successor organizations on behalf of heirless property in the U.S. Successor organizations must be non-profit, charitable corporations, incorporated in the U.S. on or before January 1, 1950.

Heirless property proceeds are to be used on the basis of need in the rehabilitation and resettlement of persons in the U.S. who are victims of Nazi persecution. A ceiling of \$3,000,000 has been imposed on the total value of the property which will be made available to the successor organization. Proceeds may not be used for legal fees, salaries or for administrative expenditures connected with the filing of claims or with the recovery of proceeds.

The Executive Committee will have to consider in the very near future the question of the JRSO applying for designation as the successor organization under this Bill.

SK:bg

Handwritten signature: Saul Kagan
Saul Kagan

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TITLE 3-- THE PRESIDENT

EXECUTIVE ORDER 10348

Continuing in Force Orders and Regulations Relating to Blocked Property

By virtue of the authority vested in me by the Constitution and laws of the United States, including the Trading with the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, and as President of the United States, it is hereby ordered as follows:

Executive Order No. 8389 of April 10, 1940, as amended, and Executive Order No. 9989 of August 20, 1948, and all delegations, designations, regulations, rulings, instructions, and licenses issued under such orders are hereby continued in force according to their terms for the duration of the period of the national emergency proclaimed by Proclamation No. 2914 of December 16, 1950.

HARRY S. TRUMAN

The White House
April 26, 1952.

(F. R. Doc. 52-4856; Filed, Apr. 28, 1952; 11:01 a. m.; Published, April 29, 1952, 17 F. R. 3769)

GPO: 55-30081

Jewish Restitution Successor Organization
 270 MADISON AVENUE
 New York 16, N. Y.

Handwritten initials

January 24th, 1952

MEMORANDUM

To: Sanford Bole
 Maurice M. Borkstein
 Eugene Revel
 Moses A. Leavitt
 Menemah Robinson
 Abba Schwartz

Confidential

Handwritten signatures and initials

From: Saul Kagan

Re: Amendment of Section 32, Trading with the Enemy Act (Senate Bill S 1748)

1) Reference is made to my memorandum on this subject dated January 13th, Messrs. Bole and Schwartz and myself met Tuesday with Mr. Phillip Nash, White House Assistant on minority problems, to enlist his support in connection with the objections raised by Senator Chavez. We explained to Mr. Nash the facts and history of our bill, and also left with him a memorandum on the subject. Mr. Nash promised to approach Senator Chavez in order to determine the true reasons for his opposition. Mr. Nash will endeavor to impress Senator Chavez with the fact that this is an administration measure and in view of the small amount involved will in no way harm the interests of former American POW's.

2) In the course of the conversation, the question of a companion bill in the House was raised, Mr. Nash indicating that it may be worth while to introduce a parallel bill so that it will start clearing various committees as soon as possible. This may be of importance in view of a possible short session of Congress.

3) The following action may be required:

a) Approach Congressman in order to introduce a companion bill in the House. It was my Rubin's view that we should not introduce a bill in the House until we got through the bill in the Senate, presumably in order to diminish the possibility of additional attacks upon it. We must decide now whether we are willing to take the risk, in view of the prospect of a short session. During the 81st Congress, the House bill was sponsored by the Congressman Crosser (Dem.) and Selverton (Rep.). The first approach in that direction should be made through them.

b) A meeting with Senators O'Connor and Taft--We hope to have word from Mr. Nash within a week, following which a meeting with Senators O'Connor and Taft

MEMBER ORGANIZATIONS

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|-----------------------------|--|--------------------------------------|---|-----------------------------------|--|---|----------------------|
| AMERICAN JEWISH COMMITTEE | AGUDAS ISRAEL WORLD ORGANIZATION | WORLD JEWISH CONGRESS | COUNCIL FOR THE PROTECTION OF THE RIGHTS AND INTERESTS OF JEWS FROM GERMANY | BOARD OF DEPUTIES OF BRITISH JEWS | CENTRAL COMMITTEE OF LIBERATED JEWS IN GERMANY | CONSEIL REPRESENTATIF DES JUIFS DE FRANCE | CENTRAL BRITISH FUND |
| JEWISH AGENCY FOR PALESTINE | AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. | JEWISH CULTURAL RECONSTRUCTION, INC. | INTERRESENVERTRETUNG ISRAELITISCHER HILFSGEMEINDEN IN THE U. S. ZONE OF GERMANY | ANGLO-JEWISH ASSOCIATION | | | |

OPERATING AGENTS

- | | | |
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| JEWISH AGENCY FOR PALESTINE | AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. | JEWISH CULTURAL RECONSTRUCTION, INC. |
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should be set up to discuss future tactics, including sponsors for the companion bill in the House.

b) In connection with the Chavez problem, it was possible to enlist the assistance of Mr. Felix Cohen who is on excellent terms with the Senator. Mr. Cohen represents among others the legal interests of a considerable number of Indians residing in New Mexico.

I would appreciate your views concerning the advisability of introducing a companion bill in the House.



Saul Eagan

SK:AUN

cc. By Rubin

To: Mr. Eli Rokk, JRSO NEW YORK

26-6-1950

as previously advised by cable an Israeli representative is already in Switzerland eager to get down to the discussion on hairless assets in connection with his trade talks. From my information he does not seem to be aware of the fact that the agreement with the four organizations required that the State Department would handle arranging the basis for discussions between the Swiss and the Israelis, nor that the frame of reference for such discussion would be largely the Five Powers Agreement. I am, therefore, in the process of calling Geneva to acquaint Adler-Husiel of the JAFF with the details of the four organizations meeting and to prevail upon him to keep the Israeli representative from opening any discussions on this subject until the required steps have been taken through the State Department.

I trust that you will keep me au courant on this aspect.

Sincerely yours,

Jerome J. Jacobson
General Counsel

JJJ/mf
cc: R. Filpel

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Handwritten notes:
R. P. [unclear] [unclear]
JDE NY [unclear]

June 26, 1950

Paris-JRSC NY Letter #3

To: Mr. Eli Rock - JRSC NEW YORK

From: AJSC Paris

Re: Amendment to Section 32 of the Trading with the Enemy Act
Our Ref. OGC/ASP/22

Dear Eli:

I have just received JRSC Letter No. 314 of June 21, 1950, and am pleased to note that we may anticipate a satisfactory turn of events in connection with the amendment of the Trading with the Enemy Act.

This circumstance, however, leaves me rather puzzled concerning the decision taken by the four organizations recently with respect to having the Israeli Government discuss heirless assets with the Swiss under the aegis of U.S. introduction and blessing. As you will recall, the principal weight of my analysis in favour of turning the job over to the Israelis was founded upon the assumption that the Trading with the Enemy Act looked hopeless, and accordingly effective U.S. representations to the neutrals would be difficult and embarrassing. However, in the light of your report I would be interested in knowing the reasons why it was agreed to accede to the Israeli suggestion, even with U.S. arrangement, since I would assume that all out pressure by the U.S., supported in turn by a decent record in the States, would prove a better means towards achieving our purposes than the Israeli effort.

Moreover, in connection with the agreement of the four organizations I am bothered by two questions which do not appear to have been dealt with in the negotiations with the Israeli Government and which I had touched upon as a recommendation in my memorandum; namely that some prior agreement should exist among the Jewish Agency, the Israeli Government and ourselves on the distribution of any resources acquired as a result of Israeli intervention, and secondly that for purposes of being fully informed and of coordinating their representations in the best possible harmony with our activities for the payment of the balance of reparations funds, there ought to be consultations between the Israeli representatives, the Jewish Agency and ourselves. This latter provision is no mere formal requirement because

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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 3^h of this Act.

"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."

SEC. 2. The first sentence of section 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."

August 11, 1954

S. 2420 AS PASSED BY THE HOUSE OF REPRESENTATIVES ON AUGUST 9, 1954

AMENDING SECTIONS 32 AND 33 OF THE TRADING WITH
THE ENEMY ACT

That section 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 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

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Elk Rock

Ernest A. Lavitt

February 1964

Meeting with Mr. Seymour Rubin re heirless blocked property in the U.S.

This week Mr. Jacobson and I had lunch with Mr. Hoveal and Mr. Rubin, the latter having come up from Washington for the day. The purpose of the get-together was to discuss the present situation as regards our proposed program for recovering heirless vested and blocked property in the U.S.

1) With respect to the proposed amendment to Section 32 of the Trading with the Enemy Act, Mr. Rubin confirmed the information which we already have regarding intervention of the bill and regarding the favorable recommendations which are forthcoming from the interested government departments. Unlike the situation which existed last year, the Treasury Department has this year been asked to offer its opinion, and it was recently again confirmed to Mr. Rubin that a strongly favorable recommendation would be sent in by that Department. As for the time element, there is still no indication as to when Congress can be expected to act. Particularly in the case of the House, there seems to be a prospect of such additional delay, since the Interstate and Foreign Commerce Committee (which will be considering this bill) has not yet met, nor even scheduled an executive meeting to discuss legislation. However, James Patterson was scheduled to be in Washington today for the express purpose of attempting to stir the interested committees into action.

2) We again had a considerable discussion on the possible applicability of our amendment to the property which is as yet only in a blocked status. As I have earlier indicated to you, the best development which could take place from our viewpoint would be for the OAF to vest all blocked property which had not been certified, thereby automatically placing the heirless, blocked property under the coverage of our proposed amendment to Section 32. However, while Mr. Rubin is still of the opinion that this will probably be done by the OAF (They had earlier vested the uncertified Swiss assets and might find it difficult now to do otherwise in the case of other countries), we do not as yet have any concrete indications.

3) I also discussed with Mr. Rubin the question of what might be required of the successor organizations once the amendment to Section 32 has been passed. Although we already have a rough idea of the kind of proof which will be available to us from the OAF files and which we will have to obtain elsewhere, we have not as yet gotten down to the point of discussing the actual machinery to be worked out for the submission of claims. I believe Mr. Rubin will be discussing this matter preliminarily with Mr. Boulton, but before very long it will also be necessary for the interested organizations in New York to discuss the matter among themselves.

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4) Lastly, I called to the attention of Mr. Rubin and Mr. Hovevi a copy of a letter by Mr. Icenbergh to the Dutch Jewish community, which had been sent to me from our Paris office. In this letter, Mr. Icenbergh mentioned among other things the possibility of a successor organization to be set up by the Dutch Jewish community which might in time, among other things, apply for recognition as a successor under our proposed amendment to Section 32 of the Trading with the Enemy Act--the idea being that it would claim those heirless assets in the U.S. which are of Dutch origin. On this score, it was pointed out to Messrs. Rubin and Hovevi that the thinking here has always been in terms of a single successor organization (the JNSO) and that the suggestion of Mr. Icenbergh at this time could create difficulties. The matter was left that Mr. Rubin would write to Mr. Icenbergh at once, indicating our feelings on the matter and requesting an explanation from him.

TH:AU

COPY

WAR CLAIMS COMMISSION

Washington

January 10, 1950

Hon. Robert Crosser
Chairman, Committee on Interstate
and Foreign Commerce
House of Representatives
Washington 25, D. C.

James H. Hill
Advised Trading
with the Enemy Act

My dear Mr. Crosser:

Further reference is made to your letter of October 19, 1949 requesting a report on S. 603, 81st Congress, "An Act to Amend the Trading with the Enemy Act."

The purpose of the bill is to provide that certain property heretofore vested by the Alien Property Custodian, or the proceeds therefrom, of deceased persons who, if alive, would be eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a) (2) of section 32 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, and who died without heirs, would be subject to claim by certain non-profit charitable corporations to be designated by the President of the United States. Further, by section 2 of the bill, section 33 of the Act would be amended by extending the time to file notice of claim as required by sections 9 and 32 thereof in their present form until April 30, 1950, or two years after the vesting of the property or interest, whichever is later, in the case of any property or interest acquired by the United States after December 18, 1941. This section would also add a provision to section 33 of the Act fixing January 1, 1952, as the delimiting date for successor organizations designated pursuant to the bill to file notice of claims.

It is the view of the War Claims Commission that an extension of the date for filing claims to any vested property applicable to any claimants under the presently effective provisions of section 9 and 32 of the Trading With the Enemy Act would hinder and obstruct the War Claims Commission in the administration of the War Claims Act of 1948 (Public Law 896, 80th Congress, July 3, 1948; 62 Stat. 1240; 50 U S C 2001 - 2013), as amended.

In this connection, attention is invited to section 12 of the War Claims Act of 1948, supra, which amends the Trading With the Enemy Act by adding thereto section 39 which provides:

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"SECTION 30. No property or interest therein of Germany, Japan, or any national of either such country vested in or transferred to any officer or agency of the Government at any time after December 17, 1941, pursuant to the provisions of this Act, shall be returned to former owners thereof or their successors in interest, and the United States shall not pay compensation for any such property or interest therein. The liquidation, and disposition pursuant to the provisions of this Act of any such property or interest therein shall be covered into the Treasury at the earliest practicable date. Nothing in this section shall be construed to repeal or otherwise affect the operation of the provisions of section 32 of this Act or of the Philippine Property Act of 1946."
(Underscoring supplied.)

Section 13 of the War Claims Act of 1948, supra, creates on the books of the Treasury of the United States the War Claims Fund which consists of all sums covered into the Treasury pursuant to section 39 of the Trading With the Enemy Act quoted above. The monies which the War Claims Commission is obligated to expend in paying benefits pursuant to sections 5, 6 and 7 of the War Claims Act of 1948 are derived from this War Claims Fund. These sections provide three categories of benefits: (1) detention benefits for civilian American citizens interned in the Philippines, Midway, Wake Island, Guam, or United States territories or possessions; (2) compensation for prisoners of war who were given food less in quantity or quality than that required under the terms of the Geneva Convention; and (3) restitution for the fair value of food, clothing, shelter, medical supplies, and other relief extended by religious organizations functioning in the Philippines affiliated with organizations in the United States to civilian American citizens or members of the United States armed forces.

The War Claims Commission has been advised by the Office of the Alien Property Custodian that the final processing of accounts for the purpose of covering funds into the Treasury of the United States as directed by section 12 of the War Claims Act of 1948 (Section 39 of the Trading with the Enemy Act, as amended) will of necessity be postponed until after the termination of any extension of time for filing notice of claims as would be provided by section 2 of S. 603. The inevitable consequence should S. 603 be enacted with such extension of time, and the resultant postponement in the liquidation of property held by the Office of the Alien Property Custodian is that the War Claims Fund until after April 30, 1950, and many months thereafter, might be insufficient to pay the legally allowable claims under sections 5, 6 and 7 of the War Claims Act of 1948 described in the preceding paragraph.

Furthermore, the War Claims Commission is required by section 8 of the War Claims Act of 1948 to report to the President, for sub-

mission of such report to the Congress, on or before March 31, 1950 concerning claims arising out of World War II, other than claims which may be received and adjudicated under the preceding sections of such Act. Delay in the final settlement of property vested by the Alien Property Custodian would undoubtedly add to the uncertainty and difficulty of making sound recommendations.

The Commission has no information available to it on which to base an estimate of the cost of the bill.

In view of the foregoing, the War Claims Commission does not recommend favorable consideration by the Committee of S. 603, 81st Congress.

Due to the request of the Committee for an immediate report, there has been inadequate time within which to secure the views of the Bureau of the Budget with reference to this report and its relation to the program of the President.

Sincerely yours,

Daniel F. Cleary
Chairman, War Claims Commission

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COPY

WAR CLAIMS COMMISSION

Washington

January 11, 1950

Hon. Robert Crosser
Chairman, Committee on Interstate
and Foreign Commerce
House of Representatives
Washington 25, D. C.

My dear Mr. Crosser:

Reference is made to your letter of January 5, 1950 requesting, among others, a report on S. 729, 81st Congress, "A Bill To Amend the Trading With the Enemy Act so as to extend the time within which claims may be filed for return of any property or interest acquired by the United States on or after December 18, 1941."

The purpose of the bill is to amend the first sentence of section 33 of the Trading With the Enemy Act of October 8, 1917 (40 Stat. 411), as amended, by extending the time to file notice of claims as required by sections 9 and 32 thereof until April 30, 1950. The sentence in question currently provides:

"No return may be made pursuant to section 9 or 32 (section 9 or 32 of this Appendix) unless notice of claim has been filed: (a) in the case of any property or interest acquired by the United States prior to December 18, 1941, by August 9, 1948; or (b) in the case of any property or interest acquired by the United States on or after December 18, 1941, by April 30, 1949, or two years from the vesting of the property or interest in respect of which the claim is made, whichever is later."

It is the view of the War Claims Commission that an extension of the date for filing claims to any vested property applicable to any claimants under the presently effective provisions of section 9 and 32 of the Trading With the Enemy Act would hinder and obstruct the War Claims Commission in the administration of the War Claims Act of 1948 (Public Law 896, 80th Congress, July 3, 1948; 62 Stat. 1240; 50 U.S.C. 2001 - 2013), as amended.

In this connection, attention is invited to section 12 of the War Claims Act of 1948, supra, which amends the Trading With the Enemy Act by adding thereto section 39 which provides:

Amend Trading With the Enemy Act

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"SECTION 39. No property or interest therein of Germany, Japan, or any national of either such country vested in or transferred to any officer or agency of the Government at any time after December 17, 1941, pursuant to the provisions of this Act, shall be returned to former owners thereof or their successors in interest, and the United States shall not pay compensation for any such property or interest therein. The net proceeds remaining upon the completion of administration, liquidation, and disposition pursuant to the provisions of this Act of any such property or interest therein shall be covered into the Treasury at the earliest practicable date. Nothing in this section shall be construed to repeal or otherwise affect the operation of the provisions of section 32 of this Act or of the Philippine Property Act of 1946." (Underscoring supplied)

Section 13 of the War Claims Act of 1948, supra, creates on the books of the Treasury of the United States the War Claims Fund which consists of all sums covered into the Treasury pursuant to section 39 of the Trading With the Enemy Act quoted above. The monies which the War Claims Commission is obligated to expend in paying benefits pursuant to Sections 5, 6, and 7 of the War Claims Act of 1948 are derived from this War Claims Fund. These sections provide three categories of benefits: (1) detention benefits for civilian American citizens interned in the Philippines, Midway, Wake Island, Guam, or United States territories or possessions; (2) compensation for prisoners of war who were given food less in quantity or quality than that required under the terms of the Geneva Convention; and (3) restitution for the fair value of food, clothing, shelter, medical supplies, and other relief extended by religious organizations functioning in the Philippines affiliated with organizations in the United States to civilian American citizens or members of the United States armed forces.

With respect to the status of the Alien Property Fund, the attention of the Committee is invited to the fact that estimates of the Alien Property Custodian, as of October 1, 1949, indicate that the net value of the interest of the Attorney General in vested property was \$336,000,000. It was estimated that \$50,000,000, in the form of debt and title claims, may be allowed out of this amount and, in addition, approximately \$125,000,000 of such property is subject to suits for return under section 9 (a) of the Trading With the Enemy Act, as amended. Thus, after deducting debt and title claims, and the property subject to section 9 (a) suits, a balance of \$161,000,000 remains, which may ultimately be available for transfer for the payment of claims in accordance with the War

Claims Act of 1948, as amended. The Alien Property Custodian has indicated, however, that in view of the uncertainty as to the limitation date on claims and suits, it is not possible to estimate the amounts actually available for transfer to the War Claims Fund at the present time or in the near future. The pendency of the subject bill and S. 603, 81st Congress, is responsible, in part, for the uncertainty as to the status of the War Claims Fund and for the inability of the Alien Property Custodian to transfer any substantial amount to such Fund.

An amount of \$25,000,000 was transferred to the War Claims Fund in September 1949, pursuant to the authority contained in section 13, Public Law 896, 80th Congress, July 3, 1948. Although no specific part of this amount has been set aside for the payment of claims administered by the War Claims Commission under section 5, 6 and 7 of the War Claims Act, the amounts of \$75,000 and \$30,000 were appropriated by Public Law 71, 81st Congress, May 24, 1949, and Public Law 343, 81st Congress, October 10, 1949, for the administrative expenses of the War Claims Commission to the end of the fiscal year 1950.

In addition, \$10,000,000 of the aforementioned amount was allocated for the current fiscal year for use by the Bureau of Employees Compensation by Public Law 141, 81st Congress, June 29, 1949 for payment of benefits pursuant to section 4 (c) and section 5 (f) of the War Claims Act. An additional sum of \$115,000 was appropriated by the same Act for administrative expenses for the fiscal year 1950 for the Bureau of Employees Compensation.

The most recent estimates as to the total amount of benefits to be paid under the War Claims Act, as amended, indicate that amounts payable by the War Claims Commission under sections 5, 6 and 7 of the Act will amount to approximately \$120,000,000. Total expenditures by the Federal Security Agency under section 4 (c) and section 5 (f) of the Act have been estimated at \$28,000,000. Although no estimates have been received from the Department of State, the Committee will note that certain additional benefits are payable by that Department under section 4 (b) (1) of the Act out of the War Claims Fund, in accordance with the provisions of section 13 (d) of the Act.

It will be noted from the above that, exclusive of administrative expenses, expenditures under the present benefit provisions of the War Claims Act will, in all probability, equal or exceed \$150,000,000. The inevitable consequence, should S. 729, 81st Congress, be enacted, with the resulting extension of time and postponement in the liquidation of property held by the Office of the Alien Property Custodian, is that the War Claims Fund until after

April 30, 1950, and for many months thereafter, might be insufficient to pay the legally allowable claims under sections 4, 5, 6, and 7 of the War Claims of 1948 described in the preceding paragraphs.

Furthermore, the War Claims Commission is required, by section 8 of the War Claims Act of 1948, to report to the President for submission of such report to the Congress on or before March 31, 1950, concerning claims arising out of World War II other than claims which may be received and adjudicated under the preceding sections of such Act. Delay in the final settlement of property vested by the Alien Property Custodian would undoubtedly add to the uncertainty and difficulty of making sound recommendations.

The Commission has no information available to it on which to base an estimate of the cost of the bill.

In view of the request by your Committee for expeditious submission of this report, there has been insufficient time within which to clear this report with the Bureau of the Budget.

Sincerely yours,

Daniel F. Cleary
Chairman, War Claims Commission

cjs;mbr

325973

MEMORANDUM: DUTCH "HEIRLESS" PROPERTY IN THE UNITED STATES.

1. It is understood that there is in the United States a substantial amount of property held through Dutch banks, etc. which is unclaimed at present and which could not be certified because of the fact that its owners are dead and because of the fact that there are no known heirs or claimants to this property. Presumably the bulk of this property belonged at one time to Dutch nationals of Jewish faith who were exterminated together with their relatives during the German occupation of the Netherlands. The problem presented is what eventual disposition of this property will be made; and the problem is understood to resolve itself into two facets: (a) the attitude of the American authorities toward certificate by the Dutch Government and (b) the attitude of the holders of such property in the United States (generally the New York banks) toward payment to a successor in interest to the original owners of the property.

2. If no special action is taken with respect to this property, it will presumably be vested in the future by the Office of Alien Property in the United States and will be devoted to such purposes as other unclaimed property in a similar category. If the heirless property legislation which has now passed the United States Senate should become law, such property after being vested would presumably be turned over to a successor organization which would administer it for the benefit of refugees and persecutees.

3. In order that a more immediate disposition may be made of this property and in order that the disposition might be one more acceptable to the Dutch Government than would be the one mentioned above, it is suggested that an agreement between the Dutch and the American Governments might be worked out along the following lines:

(a) Agreement might be reached between the governments that the properties in question could be certified by the Dutch Government as being free from German or other enemy interest and therefore subject to release.

(b) Agreement could be reached between the Dutch and American Governments that the Dutch Government would devote the proceeds of such property as it might receive under this arrangement to refugee and persecutee needs. This would be done through the means of a Dutch successor organization. In view of the fact that the Jewish community of Europe has been so thoroughly diminished or scattered, it would be appropriate for the Dutch successor organization to devote at least 1/2 of the proceeds of such properties to refugees and persecutees of Jewish faith residing outside of the Netherlands. Administrative arrangements might be worked out by the Dutch successor organization with the Jewish Agency for Palestine and the Joint Distribution Committee.

(c) Agreement could be reached that, in order to implement the agreements spelled out in (a) and (b) above, the Dutch Government would undertake to enact legislation vesting title to such unclaimed properties in the Dutch successor organization. It is understood that such a successor organization is already in existence in Holland and would be available in connection with the proposed legislation.

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(d) Finally, the United States Government would agree that it would recognize, pursuant to an executive agreement between the Netherlands and the United States, the Dutch legislation mentioned in paragraph (c), and that the United States would take all appropriate measures to assist the Dutch successor organization in obtaining the properties in question.

4. This proposal would seem to be an effective way of working out a difficult and complicated situation on the basis of principles already firmly espoused by both the Dutch and American Governments.

Seymour J. Rubin
February 28, 1950

INTERNATIONAL REFUGEE ORGANIZATION

Via San Nicolo da Tolentino 78
Rome, Italy

19th April 1950

Dear Mr. Kramer:

I have seen the entire collection of property, and have the following to add to my letter of 13th April.

1. Excluding the coins and stamps, which I am unable to value, I feel that the entire collection of property will not gross more than \$100,000. The coin and stamp collections appear to be quite valuable, but both have a large number of identifying marks which indicate the names of the persons from whom they were taken. The two Governments will undoubtedly wish to determine whether these persons, or their heirs, are alive, before making a decision on disposition. It is interesting to note how methodical the Germans were in recording these items. The stamps, for example, are in large volumes, attached to each of which there is a tag stating that they were taken from "Jude Giulio Landman", and signed by an SS functionary. The coins also have names of owners on little cards carefully placed within the paper package containing the coin. Incidentally, there appear to be at least 200 gold coins of ancient Rome, which must be of considerable value.

2. Since writing to you I have examined the crate containing gold and diamond jewelry. It contains one large diamond necklace with emeralds and a diamond and emerald bracelet. My guess is that the necklace must contain twenty to twenty five carats of diamond, and the bracelet perhaps 12 carats. These items I would guess are superior to anything we sold at Parke Bernet. There are several other gold bracelets, necklaces and pins, all of which are very suitable for Parke Bernet sale. There are a couple of Cartier Paris items, which are numbered and perhaps subject to identification through Cartier. In addition there are two rings which contain large yellow diamonds. One about 2.5 carats and the other about 6 or 7 carats.

3. Beyond this we have the usual conglomeration of watches, of all kinds, including mens pocket watches in gold cases, wrist watches, several watches with diamonds in the cases, and some ladies lapel watches. Generally speaking these ought to be broken out and sold as precious metal and as diamonds.

4. The silverware consists primarily of several services of flat ware, or parts of services. There is one excellent and very large service, which has a crest and a crown and knot, which is probably easily identifiable. The bulk of the silver is similar to what we sold previously and might be suitable as a small portion, money wise, of a sale at the Galleries.

I believe that when the items are re-segregated and saleable items are picked out, that we may have the makings of a \$50,000 to \$60,000 Parke Bernet sale, which will include rings, bracelets, brooches and pins, clips, diamond jewelry, silver and perhaps some watches and some other odds and ends.

As of the present time the Embassies in Rome have not yet received instructions

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on turning over the property to IRO, so that I am unable to indicate how I shall receive it or when it might be shipped to the States. As soon as some decision is made in this matter I shall let you know. In any event there would be no need for Marion to come over, and unless you intend to come to Europe for some other reason, it would hardly be worth your while to spend the time or money necessary to see the property.

Sincerely,

(s) DAVE

Mr. R.C. Kramer
119 West 40th Street
New York 18, N.Y., USA

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