

had collected letters from the American Laender, expressing their dissatisfaction with the settlement, and Schreiber kept toying with these letters nervously, waiting for his opportunity to cite them.

After some general sparring we examined the various items in our proposed package settlement. As heretofore the mayor reiterated Berlin's preparedness to pay 8 million DM for indemnification claims, to buy such of our real estate as might be of interest to them and to examine our claims against the city for Jewish furniture which the city confiscated. This indicated a preparedness to pay anywhere from 8 million to 14 million DM for these items. He rejected any liability for jewelry which the pawn shops of Berlin acquired under instructions of the Reich. He said the city was not legally liable and, therefore, no payment could be made. We pointed out that factually he was wrong and legally he was wrong and we offered to demonstrate it to a group of his advisors if we were given the opportunity. The 3000 claims against individual Berlin citizens, which including business and mortgages, we had appraised at 35 million DM, constituted the principal bone of contention which was argued back and forth at length.

After an hour and a half of consideration, the conclusion was reached that a commission should be appointed representing both sides in order to go over the proposal again and present recommendations. The commission would not deal with the indemnification claims or our offer to sell our real estate to Berlin. It would determine the facts with regard to our pawn shop claims and examine our claims against individual Berliners. The exact meaning of this last point was not quite clear. The mayor felt that claims where a reasonable price had been paid should be discarded, whereas we felt that the individual files could not be examined in more than a sampling and the emphasis should be placed upon determining the reasonableness of our appraisal of value. On our side we deliberately left the matter somewhat vague, since it was clear that we could not hope to change the mayor's mind and we might be better off trying to persuade a commission.

The atmosphere throughout was harmonious and cordial, but a real eagerness on their part to reach a settlement was not particularly evident. They would, of course, be very happy if we would leave them alone and disappear. The mayor agreed to appoint the commission within the next few days with instruction to act quickly.

Later in the day, Dr. Weis and I went over to see Mr. Parkman in order to keep him informed and to find out the results of the discussion which he had had with Dr. Schreiber while we were meeting with Dr. Conant. He told us that Schreiber had agreed to appoint a commission, but expressed his view that it was impossible to change the mayor's mind about the morality of some of the claims. We asked him to keep alert for any possible opening where he might advance our cause and suggested that he might try to have Lemmers appointed as head of the commission. He promised to do so.

In the late afternoon, Dr. Goldman joined us for a private meeting in Dr. Weis' home together with Dr. Schweig, City Custodian for vested properties. Dr. Schwaig had been fully informed by Dr. Haas and Dr. Schreiber about our morning meeting. He told us that there had already been a senate resolution appointing the members of the commission. They would be the Finance Senator Dr. Haas, with Senatsdirector Dr. Theuner as his alternate, Justizsenator Dr. Kielinger, and Dr. Schweig. The position which the members of the commission hold indicate that they are men of authority as we had requested. Unfortunately, however, we know that none of them is in favor of the bulk settlement and we, therefore, start off with somewhat of a handicap. Our team will consist of Dr. Weis, Dr. Tuch, Dr. Katzenstein, Dr. Lachs and myself.

Dr. Schweig also informed us that Dr. Haas was instructed to draft a letter in reply to Dr. Adenauer. In their reply the Berliners would point to all the economic and political difficulties which a bulk settlement might cause. Dr. Schweig also repeated the point which Dr. Schreiber had made during our meeting to the effect that Berlin had no funds and the Bund would have to pay whatever might be involved in the settlement. To this Dr. Goldman again replied that if we had to get the money from the Bund we did not have to go round about via Berlin to do so. We know that Dr. Haas already discussed with Dr. Schaefer the possibility of getting federal funds for this purpose. Dr. Schaefer had completely rejected any such notion saying that the 800 Million DM per annum federal subsidy to Berlin covered everything. We argued that the amounts we were requesting and our liberal terms could not conceivably represent any real economic burden within Berlin's annual budget of 1.8 billion DM. The discussion with Schaefer gave even clearer indications that the Berlin Senate and the Buergermeister may not be quite sincere in the appointment of the commission and that it is merely a political device to avoid an immediate show down.

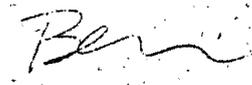
In the evening Dr. Goldman met with Dr. Spennrath, Director of the AEG. Dr. Spennrath is influential both in Berlin and in Bonn and was surprised to learn from Dr. Goldman that the total amount involved in an acceptable settlement was in the neighbourhood of 50 million DM. Spennrath had thought that hundreds of millions were being asked. He felt that it would be impossible for Schreiber to stand against the Chancellor and the Bund in opposing such agreement. He promised to lend his assistance.

Appraisal:

We are certainly no worse off than we were when the senate rejected our settlement on April 8. We have made some progress in that we are again on the track and negotiating. We have received very real assistance in Dr. Adenauer's interest obtained through Dr. Goldman's intervention. As a result of this interest, a bulk settlement may yet be possible along reasonable lines. It will certainly not be easy. We are trying to have the commission meet as quickly as possible in order to define the issues before June 23 when Dr. Goldman would be available for another meeting in Berlin.

By that time we should have a clearer picture of Berlin's intentions and after our next top level meeting when all of our big canons have been shot, we should know whether an agreement is possible before the next Berlin elections scheduled for the end of November.

Cordially yours,



BENJAMIN B. FERENCZ

BBF/rm

326499

Hq. JRSO Ltr. # 1948
May 28, 1954

C O N F I D E N T I A L

Mr. Saul Kagan
JRSO - New York

Dear Saul:

There have been a number of meetings in connection with our Berlin bulk settlement which should be of interest. As you know, Dr. Adenauer wrote to Dr. Schreiber to the effect that such a settlement would be politically desired by the Bund. It appears that primarily as a result of that letter the position of the Berlin Senate was weakened and they decided to proceed more cautiously than they had done in their letter of April 8, 1954, rejecting a global agreement.

On May 25, Dr. Goldmann and I met Dr. Conant and Knox Lamb to follow up on the New York conference with Dr. Conant and to see if he could do anything more in support of our proposal. Dr. Conant was reasonably friendly and reasonably briefed. He pointed out that he had already written two letters to Dr. Schreiber in which he had expressed the interest of the U.S. Government in such a settlement. He felt that not much more could be done. He had also asked Mr. Parkman, his Deputy in Berlin, to handle the matter for him there. It was clear that nothing more could be done with the High Commissioner and it turned out to be a courtesy call for purposes of expressing our appreciation and keeping him informed. The next morning on May 26, Dr. Weis joined us for a meeting with Dr. Schreiber who was accompanied by his Finance Senator, Dr. Haas, his Chief of Protocol, Dr. Klein, and the head of the Press Section, Dr. Hirschfeld, who was present as an emergency measure in case there would be an explosion and a press report would be required.

Dr. Schreiber again expressed his great interest in seeing the Jewish Community in Berlin adequately cared for. Berlin, he said, was ready to pay for the indemnification claims on condition that a fair share went to the community which was now being subsidized by the city. He referred also to the difficulties which the city of Berlin would have in pressing claims against Berlin's citizens who had paid a fair price and who were merely trying to help their Jewish friends. Dr. Goldmann replied at length, stressing the fact that the Berlin action would be part of a historical pattern designed to bridge the gulf between Germany and the Jews of the world. Bulk settlements had been made elsewhere and now only Berlin remained. Dr. Schreiber countered that no bulk settlements had been made in the British Zone. Dr. Goldmann did not make the argument that the settlements in the U.S. Zone had worked out very well since Dr. Weis had learned that Dr. Schreiber

MWB

M I N U T E S

of the Meeting of the Successor Organizations with the Zentralrat, the Zentralwohlfahrtsstelle, the Landesverbaende and Gemeinden

in Frankfurt on April 14th, 1954.

On April 14th, 1954, from 11.30 a.m. to 5.00 p.m., a meeting took place under the chairmanship of Dr. Kreutzberger, (Jewish Agency) with the following persons present:

- Mr. J. Jacobson (Joint Paris)
- Mr. Rice (Joint Munich)
- Dr. Kapralik (JTC London)
- Dr. Lachs (JTC, Hamburg)
- Mr. Meyrowitz (Branche Francaise of the JTC Mainz)
- Mr. Ferencz (JRSO)
- Dr. Katzenstein (JRSO)

on the one part,
and

- Dr. van Dam, Duesseldorf {
- Mr. Karl Katz, Bremen { Zentralrat)
- Dr. Simonsohn (Zentralwohlfahrtsstelle Hamburg)
- Mrs. Jeanette Wolf {
- Mr. Galinski { Berlin
- Dr. Alschoff, Frankfurt (Landesverband Hessen)
- Mr. Max L. Cahn {
- Dr. Cohn-Bendit { Frankfurt, (Gemeinde Frankfurt)
- Mr. Nachmann, Karlsruhe (Oberrat der Israeliten Badens)
- Mr. Warscher, Stuttgart (Israelitische Kultusvereinigung Wuerttemberg)
- Mr. Dreyfuss, Duesseldorf (Landesverband Nordrhein-Westfalen)
- Mr. Goldstein, Hamburg
- Mr. Heymann, Dortmund
- Mr. Prager, Hannover
- Dr. Fritz Goldschmidt, London (Council of the Jews from Germany)
- Mr. Goldschmidt, Koeln
- Mr. Baer, Landesverband Rheinland-Pfalz
- Professor Graubart, Munich
- Mr. Karl Marx, Duesseldorf

on the other part.

Dr. Kreutzberger, in opening the meeting, stated the desire of the Successor Organizations to arrive at an overall settlement of all outstanding questions concerning all communities in Germany irrespective of their zonal districts. He expressed the hope that the communities in Germany were striving at the same aim and called upon Dr. Lachs and Dr. Katzenstein to formulate the proposals of the two Successor Organizations in order to achieve that aim.

Dr. Lachs, on behalf of the JTC, proposed that out of the assets of the former communities in the British zone of Germany the first two million DM less the total of all amounts paid to the communities in accordance with decisions of the Special Committee, and less the quota of the administrative expenditures incurred by the JTC should be paid from the assets of the special fund, and in addition thereto 50% of all other assets as they become available of former communities in the British zone, including indemnification claims. The balance of property and assets

should be released to the JTC for their use.

Dr. Katzenstein, on behalf of JRSO, made the following proposal for the US zone of Germany and Berlin:

Insofar as the assets are concerned of former communities in the American zone, including Berlin, with which agreements had been made by the JRSO, such pre-existing agreements had to remain in full force and effect and were not in any way to be impaired.

No such agreements had been made with the Jewish Communities of Nuernberg, Fuerth and Augsburg. The real estate of these three Communities should be divided so that JRSO would get 50% and the respective Community 50% of the respective assets.

50% of all indemnification claims in the US zone, may they appertain to re-established or defunct Communities, should go to the Communities excluding, however, those indemnification claims concerning which agreements with Communities had been made by JRSO. Those agreements had to remain unaffected.

Mr. Goldstein, Hamburg, speaking for the British zone, declared his preparedness to accept Dr. Lachs' proposal with the following modifications:

- a) he expected the indemnification payments to reach 5 million DM. and he wanted an assurance to that effect;
- b) he objected to the extent of the expenditure of the JTC and he wanted to limit the share of the Special Committee in those expenses to a one-time contribution of DM 300.000.--
- c) any advance payments made to the Communities should not be accounted for;
- d) the open cemeteries should be taken over by the Communities, whereas the care and maintenance of the closed cemeteries was a matter for the Successor Organizations.

Dr. Alschoff, speaking for the American zone, welcomed the determination of the JRSO to arrive at an overall settlement with all Communities concerned. He could not, however, accept the proposal as submitted by Dr. Katzenstein.

The agreements concluded by JRSO with the Communities had been made under erroneous assumptions, i.e.: that the communities would exist for a couple of years only. Hence, the settlement now to be achieved had to concern all communities including those with which JRSO had already made agreements. He was therefore asking for 50% of all indemnification claims in the US zone, minus those indemnification claims which were the subject matter of special agreements with the JRSO. In addition thereto the communities in the US zone were requesting a payment of two million DM out of the money which JRSO had obtained from the German Laender of the US-zone under their various global settlements with them. One million DM of those two million DM should be used for the communities and one million for the Zentralwohlfahrtsstelle.

As to the cemeteries the request put forward by Mr. Goldstein for the British zone also held good for the American zone.

Dr. Kreutzberger, in summing up Dr. Alschoff's proposal, stressed that considerable money was to be expected. He, therefore, thought that such money should be paid into a trust fund to be administered by independent persons who would be appointed by concurrent action of both parties. The majority of the members of such administering board would be nominated by the communities whereas the Successor Organizations would command minority votes in that board only.

If the fund would not be sufficient to meet the needs of the communities, then the Claims Conference would provide for the necessary additional means. He, Dr. Kreutzberger, therefore understood the proposal of Dr. Alfschoff to mean that 50% of all the indemnification claims in the US zone, minus those indemnification claims which were the subject matter of special agreements with the JRSO, plus a cash payment of two million DM, should go into a common pot.

Dr. Alfschoff stated that he had no authority to consent to Dr. Kreutzberger's proposal regarding the establishment of a trust fund.

Dr. Kreutzberger asked whether the money which would become available in the US zone should be distributed among the communities themselves or should flow into a trust fund in the US zone.

Dr. Alfschoff, Mr. Max L. Cahn, Mr. Galinski and Mr. Warscher said that this point had not been discussed yet by the communities, and they would think about it.

Mr. Galinski for Berlin stressed that he had to do with three partners and that he felt it difficult to make the position clear. Though welcoming the initiative of the Successor Organizations to solve the problem, he asked the Jewish organisations not to be too figure-minded. A joint communiqué of a settlement reached would have an excellent effect all over the Jewish world.

He deemed it impossible to penalize a community because it had shown its good will in 1950 and made a poor settlement with the JRSO, and to favour a community, which due to the lack of such good will, made an agreement under more favorable conditions in 1954 only. What was called for was a unified disposition of the whole problem: not so and so much for the British zone and so and so much for the US zone, but one fixed amount for the whole of Western Germany.

He did not want to submit a special proposal for Berlin, but he stressed that a special gesture had to be made vis a vis that community, otherwise no global agreement with the city of Berlin would be possible. the

As far as Berlin was concerned it was out of question that the money paid should go into a trust fund. This would be unacceptable to Berlin, as the community in Berlin was a sovereign organization and the money due to them was at their sole disposition subject to the control of the Rechnungshof only.

Mr. Meyrowitz for the Branch Française of the JTC, stated that a special situation had arisen in the French zone. He associated himself with the proposal submitted by Dr. Katzenstein on behalf of the JRSO as to the equal division of the indemnification claims in cases where no agreements had been made yet.

He also mentioned that there was not yet an agreement concerning the French sector of Berlin.

Mr. Nachmann, Karlsruhe, objected to Mr. Meyrowitz's statement. If the Oberrat der Israeliten in Baden was expected to accept 50% of the indemnification money in the French zone, then the agreement made between the Oberrat and the JRSO had to be revised. When making that agreement the Oberrat had been very generous, as had been recognized by Dr. Katzenstein. The Oberrat would only accept 50% of the indemnification money if they would get back 50% of their property from the JRSO. Otherwise, quite a different agreement, i.e. exceeding 50% of the indemnification money, had to be made with the Branche Française of the JTC. The Oberrat was confident that they could settle the matter concerning the French zone by direct negotiations with Mr. Meyrowitz.

complaining about JRSO. The organizations want to make an overall settlement, an agreement with all concerned. They are willing to give what is needed but what they give should go into a trust fund administered by a board on which representatives of the communities are in the majority. There must be a unified handling of the matter so that there will be no quarrels. Without a trust fund the dispute would go on. With a trust fund everything would be good.

The organizations would not agree to the building up of a capital fund. It is for this reason that the communities should take 10% of their own capital to meet their own needs. There were three points to be accepted:

- a) trust fund
- b) overall settlement
- c) part of the trust fund must be used by the communities to cover their own needs.

Otherwise there would be no agreement.

If those points would be accepted, the Claims Conference would also be ready to make contributions if the money in the trust fund would not be sufficient.

What happened in the past shall remain untouched; by the overall settlement the matters not yet disposed of should be settled.

Mr. Jacobson associated himself with the points made by Mr. Ferencz. He stressed that he could have a more detached view because he was not a resident of Germany. It was not proper to think in zones as these were artificial and would change and were not of our making.

The aim of the trust fund was to secure the meeting of the genuine needs.

He was impressed by the argument that one group should not be penalised for the good will shown in the past. The problem was one of the leadership; it was up to the leaders of the communities to overcome the difficulties and to dispose of the total complex. Though that was difficult it could be done.

Dr. van Dam called upon the Successor Organizations to state what they were prepared to pay.

Whether one trust fund or several trust funds were to be set up and whether and what the Claims Conference should pay in addition to the money in the trust fund could be discussed thereafter.

Mr. Jacobson stated that the Successor Organizations could not proceed piecemeal as Dr. van Dam proposed. Part of his suggestion was justified and the Successor Organizations would submit an overall proposal.

There was a break from 1.30 p.m. to 3.00 p.m. for deliberations of all parties. The meeting was resumed at 3.15 p.m.

Dr. van Dam, in his capacity as Secretary General of the Zentralrat, made the following statement on behalf of all communities:

The Successor Organizations are anxious to preserve the agreements made with the various communities and JRSO are going to sign to-day the agreement with the Jewish community in Frankfurt.

The communities are prepared to follow the same line: all agreements remain in full force; however, what applies to the US zone should also apply to the British zone insofar as the communities have already gotten money there.

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The Jewish communities of the British zone and of Berlin request a share of the communal property. The communities of the British zone have formed a "Zonenverband" which has to be looked upon as a large community. The "Zonenverband" stands by the proposal which was discussed by Dr. Kreutzberger, Dr. Lachs, Dr. van Dam and Dr. Simonsohn with the modifications asked for by Mr. Goldstein. The association of the communities in the British zone requests the same rights as the Jewish communities of Frankfurt, Berlin or Munich; i.e. that the Jewish communities will not bring the communal property into a general trust fund but into a separate fund for the British zone only. There was much to be said in favour of a general trust fund, however, only such money should go into such general trust fund which belongs there; i.e.:

- 1.) all payments to be made by the JRSO outside of existing agreements with the various communities;
- 2.) payments to be made by the JTC for the organizational property (1 million DM)
- 3.) the money payable by the Branche Française to the Zentralwohlfahrtsstelle.

Such general fund should be administered by a board of independent persons, some of whom may also be foreigners whereas the majority of them had to consist of residents of Germany.

What the Jewish communities in the British zone get out of communal property should also go into a trust fund; this, however, to be a special trust fund.

It was now upon the Successor Organizations to tell which money should go into the general trust fund.

The communities will not go to the Claims Conference if there is no need for doing so. They have first to use their own income including the taxes they collect.

To ask, as Mr. Ferencz did, for setting aside 10% of the trust money was oversimplifying the matter, and the communities were not in a position to make a statement in that respect. Mr. Ferencz' proposal would mean a liquidation of the communal property within 10 years and this would be tantamount to a "Liquidations-Maxime". The question was what the Claims Conference was prepared to pay; he, Dr. van Dam, proposed, to refer this matter to a Special Committee of the Claims Conference.

Dr. Goldschmidt, London as a member of the Special Committee of the British Zone, welcomed the attempt to reach an overall settlement and expressed the hope that a settlement would also be reached with the Council of Jews from Germany.

Dr. Kapralik remarked that the funds of the Special Committee were intended to cover the needs of the Communities. That part of the funds not needed for this purpose, formed part of the general funds of the JTC. The Council of Jews from Germany, as a member of the Council of the Corporation, participated in all decisions regarding the distribution of the general funds. //

Dr. Kreutzberger said that it was not easy to reply to the many questions raised. He stressed that the representatives of the Successor Organizations were not in a position to make binding declarations. All that they could do was as individuals to submit proposals to the communities and to forward those proposals with recommendation to their respective organizations. They cannot in any way bind those organizations by the proposals which he was now going to make:

1. The Successor Organizations want to reach an overall settlement comprising all communities.
2. As to the JTC the following recommendation would be made:
The trust fund to be established should consist of
 - a) two million DM out of the special fund;
 - b) 50% of all other collections out of restitution and indemnification claims

- (c) in the British zone;
 - (c) the advance payments made to the communities should not be put into account;
 - (d) The Special Committee should pay DM 500.000.-- as share in the expenses (not DM 300.000.-- as asked for by Mr. Goldstein);
 - (e) As to the cemeteries:
The joint efforts to attain that the Bund and the Laender take over the care and maintenance of cemeteries should be continued. It must be clearly understood that this is a matter of the Special Committee because the JTC wants to go into liquidation. If the efforts vis a vis the German Government fail, agreement must be reached how the necessary money for the care and maintenance of Jewish cemeteries is to be paid out of the special fund;
 - (f) No guarantee can be given (as asked for by Mr. Goldstein) that the indemnification money will amount to 5 million DM. It may be that this figure will be reached, but no assurance can be given.
3. As to the US zone: The recommendation would be the following: a trust fund is to be established to consist of:
- (a) all payments to be made in the British and American zones to the Zentralwohlfahrtsstelle;
 - (b) 50% of all indemnification claims in the US zone minus those indemnification claims which were the subject matter of special agreements with the JRSO;
 - (c) plus 1 million DM.

Mr. Galinski asked which proposal would be made concerning Berlin.

Dr. Kreutzberger proposed that the question of Berlin would be dealt with separately with the Jewish community of Berlin, as the Successor Organizations had not discussed Berlin during the break.

Mr. Galinski stated that as to the indemnification complex a settlement must be made for Berlin similar to that in the British zone.

Dr. Kreutzberger: A certain part of the trust fund had to be used for the purposes of the communities in Germany. Insofar as it became necessary the Claims Conference would see to it that the real needs of the communities would be covered.

Dr. van Dam expressed appreciation for the spirit which dominated Dr. Kreutzberger's proposal. The Zentralrat would examine the proposal as soon as it had been formulated in writing.

The money which the fund would get out of indemnification claims in the US zone would be used for the communities in the US zone because it was their money. A special committee should be set up for the technical question within which period and in which way the funds should be used by the communities.

Dr. Kreutzberger suggested that Dr. van Dam should submit respective proposals in the near future. He stressed that to come to an overall settlement the Zentralrat must be in a position to make binding offers for all communities so that the matter would be settled concerning all Jewish communities in the whole of Western Germany.

Mr. Goldstein expressed his concern that payments by the Claims Conference would be made for a certain period only.

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Mr. Ferencz referred to the grant of the Claims Conference and to the spirit in which it had been made. That spirit would also dominate the future decisions of the Claims Conference. There was, however, no guarantee that the needs of the communities would always be covered. Such assurance would be given to no Jewish organization.

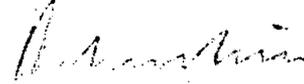
Mr. Warscher asked for submittance of Dr. Kreutzberger's proposal in writing.

Dr. Kreutzberger preferred rather not to do so because of the possibility that the organizations concerned, or some of them, might not approve of the proposal.

Dr. van Dam suggested that the minutes of the meeting should be sent to the participants.

The suggestion was accepted.

Dr. Kapralik then moved a vote of thanks to the chairman. The vote was passed and acclaimed by all present.



Dr. E. Katzenstein

DRAFT AGREEMENT BETWEEN THE JEWISH WORLD ORGANIZATIONS AND THE
JEWISH GEMEINDEN OF WESTERN GERMANY INCLUDING BERLIN.

The J.R.S.O., J.T.C. and the French Zone Branch of the J.T.C. acting together as a single entity and proceeding in consultation and agreement with the Conference on Jewish Material Claims against Germany (all hereinafter referred to as the "Jewish World Organizations") make the following Agreement with the Zentralrat der Juden in Deutschland, the Zentralwohlfahrtsstelle, the Landesverbaende of Western Germany and Berlin, all acting together and separately bound so as to constitute a single entity of the totality of Jewish Gemeinden of Western Germany and Berlin (hereinafter referred to as the "Gemeinden"),

WHEREAS, the Jewish World Organizations and the Gemeinden recognize that the reestablishment and reconstitution of Jewish Life in Germany of necessity gives rise to communal requirements to care for the welfare, social, cultural and spiritual needs of the Jews and their reestablished communities in Germany, and,

WHEREAS, the Jewish World Organizations and the Gemeinden are in agreement that the reestablished Jewish Communities of Western Germany require an equitable share of the property which belonged to the former Jewish Communities of Germany in order to enable the Gemeinden to care for the communal needs, without on the one hand thereby displacing the communal responsibility to provide for its own needs within its own abilities and from all sources available to it, and on the other hand having regard for the just needs and requirements of the great numbers of Jewish Victims of Nazism dispersed elsewhere in the world; and,

WHEREAS, the Jewish World Organizations and the Gemeinden though mindful that differences in the handling and treatment of questions of Spoliated Communal Property in Western Germany have resulted largely from the existence of "Zones" of occupation which carried with them differences of views, legal systems and patterns of thought are nonetheless desirous of treating all communal problems in Western Germany on the same equal basis and without regard to the artificial lines of demarcation created by the Zones;

The Jewish World Organizations and the Gemeinden do therefore agree

(2).....

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as follows:

(1) For the purpose of administering the funds to be provided for the Gemeinden needs under this Agreement and to carry out the specific powers and duties delegated to it by this Agreement, there shall be established a Gemeinden Property Trustee Foundation (hereinafter referred to as the "Trustee Foundation"). The Trustee Foundation shall be established as a Juridical Body. It shall be governed by a board of seven members, four of whom shall reside in Germany and three of whom may reside elsewhere. The members of the Board shall be distinguished and leading Jews who should be selected without regard to partisan or sectional views or considerations and whose fairness and overall objectivity should serve as the underlying consideration in selecting them for service. The members of the Board shall serve for a period of years. The first Board of seven members shall be selected jointly by the World Organizations and the Gemeinden. Vacancies shall be filled in like manner.

It shall be the power of the Trustee Foundation:

- (a) to receive all assets made available for the benefit of the Gemeinden by reason of this Agreement and to administer and look after such assets.
- (b) To receive the annual budgets of the Communities of Western Germany and in consultation with the Zentralwohlfahrtsstelle and other technical agencies to screen those budgets and allocate for the needs of the Communities within the terms of this Agreement and taking account of all relevant factors.
- (c) To carry out such other duties and purposes as are established under this Agreement.

(2) Insofar as the assets are concerned of any former Gemeinde or community in Western Germany, including Berlin, for which an agreement has been concluded with a Successor Organization (either JRSO, JTC or the French Zone Branch of the JTC) prior to the making of this Agreement, such pre-existing agreement shall remain in full force and effect and shall not be impaired in any way by this Agreement.

(3).....

(3) The Trustee Foundation shall receive the following assets:

(a) From J.R.S.O. out of the assets of the former Gemeinden and Communities in the U.S. Zone of Germany: 50% of all such assets as they become available of former Gemeinden and Communities, including indemnification claims, which have not been disposed of in pre-existing agreements. The remaining 50% shall be available for use by J.R.S.O.

(b) From J.T.C. out of the assets of the former Gemeinden and Communities in the British Zone of Germany: from the assets of the Special Fund, the first DM 2 million less the total of all amounts paid to the Communities in accordance with decisions of the Special Committee up to 30th April 1954, or such later date at which this Agreement would come into force; and less the quota of the administrative expenditure incurred by the Corporation since its inception up to the 30th April 1954, or such later date at which the Agreement would come into force. In determining the quota of administrative expenditure it shall correspond to the proportion of recoveries in respect of individual and communal property, but less a rebate of say 15-20% of the sum arrived at. In addition 50% of all other assets, as they become available of former Gemeinden and Communities, including indemnification claims. The balance of property and assets shall be released to the J.T.C. for its use.

Excluded from the foregoing allocation of 50% assets and in addition thereto, the Communities of the British Zone would receive out of property recovered by the Special Committee certain items of real property (as per the attached list), such items being: - cemeteries, synagogues, 1 community building (for each of the larger communities only) and old age homes, provided, however, that any real property furnished hereunder shall be for actual and justified communal use entirely and not for securing any revenue or material benefit whatever.

In distributing assets to the Trustee Foundation and the J.T.C. all other property should be sold, unless the Trustee Foundation requires its

portion of existing real property to be allotted to it. In nature in which case such items of property would be charged at actual market values to be established by independent valuers.

(c) From the French Zone Branch of J.T.C. out of the assets of the former Gemeinden and Communities in the French Zone of Germany including the French Sector of Berlin: 50% of all such assets as they become available of former Gemeinden and Communities including Jewish public Stiftungen and indemnification claims, which have not been disposed of in pre-existing agreements. The remaining 50% shall be available for use by the French Zone Branch of J.T.C.

(4) The Gemeinden agree that at least 10% of the assets which the Trustee Foundation will receive under this Agreement will be applied first to covering the annual total budgets of the Gemeinden before the Gemeinden may turn to the Claims Conference for any additional financial assistance.

(5) It is understood that certain provisions of this Agreement represent statements of principle and others may require procedural elaboration. It is therefore foreseen by the parties that additional protocols of interpretation or agreement on procedures will be developed by negotiation and agreement between the Jewish World Organizations and the Gemeinden. Should any dispute arise between the parties in respect of the meaning of any provision now a part of this Agreement which cannot be settled by negotiation between the parties, the matter in dispute shall be referred to arbitration which shall be final and binding on the parties.

(6) In giving effect to the distribution provisions of Article (3) the principle shall be observed of applying the distribution formula against each type of property and/or claim available under the Agreement so that the Trustee Foundation and the appropriate Successor Organization shall participate equitably in each type of property and/or claim and neither may in the absence of a specific agreement claim a greater proportion out of any particular type of property and/or claim.

DRAFT PROVISION

The Conference for Material Claims Against Germany, having been consulted by the Successor Organizations in respect of the proposals of the Successor Organizations (referred to as the Jewish World Organizations) to conclude a total agreement with the Gemeinden of Western Germany including Berlin, and,

Having approved of the agreement concluded on.... between the Jewish World Organizations and the Gemeinden as a reasonable and satisfactory basis for meeting the needs of the Gemeinden, and,

Noting the request of the Gemeinden for a declaration from the Conference of the manner in which the Gemeinden may expect their deficiency needs to be met from assets available to the Conference in the event that the operation of the terms of the aforesaid agreement..... fails to cover adequately the needs of the Gemeinden;

Does hereby declare:

- (1) That the Gemeinden shall be entitled to present annual budgets of their deficit needs to the Conference notwithstanding the existence of the aforementioned agreement; and,
- (2) That the Conference will give full and careful consideration to the deficit needs of the Gemeinden as determined by the Conference in the manner applicable to all like requests after having consulted with the Gemeinden and examined the operation of the aforesaid agreement and considered with the Gemeinden all reasonable expectancies of income to the Gemeinden from other sources; and,
- (3) That the Conference will make equitable provision insofar as it is able and so far as it has funds and in accordance with its established procedures governing the allocation and distribution of Conference assets to meet the deficit needs of the Gemeinden for so long as the Conference has such funds and the deficit needs of the Gemeinden are found to exist by the Conference.

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

[Handwritten signature and initials]

MEMORANDUM

March 3, 1954

To: Mr. Maurice M. Boukstein
Mr. Moses A. Leavitt

From: Saul Kagan

Attached please find Ben's letter of February 27, concerning the opening of the filing deadline for claims against the Reich. In accordance with Ben's cabled request Sy and I are making arrangements to meet with Mr. Lewis this week.

SK:mc

[Handwritten signature]
Saul Kagan

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 • 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. S. ZONE OF GERMANY • ANGLO-JEWISH ASSOCIATION

OPERATING AGENTS

JEWISH AGENCY FOR PALESTINE • AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. • JEWISH CULTURAL RECONSTRUCTION, INC.

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MAL

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

PALACE OF JUSTICE, NURNBERG

27 February 1954

Mr. Saul Kagan
JRSO - New York

JRSO Hq. letter #1930
1570-8.

Dear Saul:

MAR 2 1954

Yesterday I had a long meeting with HICOG's General Counsel Mr. Schwarz to go over the entire question of claims against the Reich. You will recall that the last time we discussed this problem was several weeks ago and that HICOG was strongly opposed to the reopening of any deadlines.

Schwarz's position then had been that between the JRSO and the claimants themselves all claims should have been filed and could have been filed. If the claimants had negligently failed to do so or even if it had been without negligence the JRSO could assign its own claims to them in an equity procedure. To my objection that this would make us an international probate-court and tie us up administratively for years he countered with a proposed amendment to the law which would enable us to hand our claims over to a German agency which would do the work, and the restitution authorities would be the ones to determine the right of inheritance. On January 20 he sent me a draft of his proposed amendment to that effect.

During our meeting I explained to him the complications involved in any attempt to dissect our claims in an effort to assign them. I think that after long discussion he was finally persuaded that his proposal was not feasible.

The next suggestion was that the successor organizations should receive whatever is left of the 1.5 billion after those persons who have filed under the restitution law have received full compensation. The successor organizations should then meet any claims by persons who missed the filing deadline. I objected to this suggestion on the grounds that we would have to establish an administrative machinery parallel to and closely tied in with the German restitution agencies, that the administrative burden would be enormous, that it would take us years, that none of the claimants would be satisfied, and that as a political proposition the Jewish organizations could never accept that responsibility. Here, too, he was persuaded that his suggestion could not be accepted.

The next suggestion he made was that those who had filed under the existing law would be paid in full and the balance would be reserved for new claimants to be admitted under the new deadline. I told him that this was a possibility, although I did not think it was as desirable as the one we were proposing. I pointed out that although his suggestion safeguarded the vested expectancy of those who filed their claims on time it had the deficiencies of providing possibly unequal payment to claimants with equal rights who had in no way been at fault in not filing on time. It would also delay payments to the latter group for a number of years and his solution would in no sense satisfy their demands or still their outcry.

I urged that he support the Paris proposal of the Jewish organizations to the effect that (1) the successor organizations would only settle for the really heirless (or really remaining unclaimed) portion. (2) the successor organizations should receive a minimum of 5% of the total of 1.5 billion DM (that is 75 million DM), and if the total bill did not reach 1.5 billion, then the successor organizations should receive an additional amount up to another 5%. (3) in addition I said that the JRSO had already sold part of these claims to the Laender for an amount of about 15 million DM, and that the Bund would have to buy these back from the Laender, although we might negotiate it.

Contd.

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27 February 1954.

Schwarz suggested that our plan for percentage payments might fit in with his scheme, in that the present claimants plus 5% for the successor organizations would be a first lien on the 1.5 billion, the new claimants who missed the deadline would have a second lien for the balance up to 1.5 billion, and the successor organizations would have a third lien for any remaining balance up to 1.5 billion.

He seemed firm in his conviction that it would be undesirable for the Allies to agree that the Germans modify the Convention by divesting persons who already had a fixed expectancy in order to meet demands of other claimants. He said it would be robbing Peter to pay Paul.

I agreed that if we could get the German government to pay Paul separately it would be ideal, but we both felt that this was a practical impossibility. I thought Peter should therefore divide equally with Paul, and he thought Paul should get whatever might be left after Peter had had his fill.

We both agreed that the German attempts to also have Peter pay for the Reich claims in the French Zone, which the Germans must now pay out of their own pocket, would be objectionable. The same was true with regard to the claims of restitutors under Art. 44(3) of Law 59.

I told Mr. Schwarz that the matter had been discussed with the British Foreign Office which was sympathetic to the Jewish proposal. He felt that he would want to get the position of the State Department before discussing the problem with the other Allies. A long cable was thereupon drafted summarizing our conversation and putting the proposition to the State Department. At the same time I sent you the following cable:

"HICOG cabling Department for position re Reich claims stop Schwarz favors giving present claimants full rights et paying newcomers out of leftovers only stop I have urged acceptance our Paris position stop Contact Lewis soonest arrange meeting you SyRubin before reply dispatched letter follows"

I think we must try to persuade the State Department that our proposal is the better of the two evils. I think Schwarz would not object to such a reply from the State Department but after my having torn several of his proposals to pieces, I had to leave him with something before going any further. I have the feeling that if I continue working on him as I intend to do, I'll be able to eventually change his mind, but a push from the State Department would be most helpful.

Please keep me closely informed of developments since the German draft of the new Dritte Masse Law may be made available to us within the next week, and we would want to meet with the Germans as quickly thereafter as possible. We would not want to press for a solution with the Germans which may have no prospect for ratification by the Allied, and therefore it is important to know quickly whether the State Department will go along with our point of view.

Cordially yours,

BENJAMIN B. FERENCZ

BBF.le

cc: Kg(3) Dr. Goldschmidt
Mr. S. Rubin Dr. Reichmann
Dr. Kapralik HS. NR. JJJ. EK.
Dr. Lachs
Dr. Meyrowitz

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Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

[Handwritten signature]

RECEIVED GERMANY

[Handwritten signature]

February 23, 1954

MEMORANDUM

To: Maurice M. Boukstein
Moses A. Leavitt

From: Saul Kagan

Attached please find excerpts from Mr. Rubin's report on his conversation with Mr. Geoffrey Lewis on February 4th, pertaining to our Board of Equity and the bulk settlement in Berlin.

SK:bg
Encl.

[Handwritten signature]
Saul Kagan

326516

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 • 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. S. ZONE OF GERMANY • ANGLO-JEWISH ASSOCIATION

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EXTRACT from Mr. Seymour Rubin's report-conversation with Mr. Geoffrey Lewis on February 4, 1954.

1) BOARD OF EQUITY PROBLEM:

Mr. Lewis referred to the fact that numerous claims had been filed with the JRSO after the deadline for the Board of Equity procedure. He referred to the fact that the JRSO had done a magnificent job and indicated that he knew that the deadline had several times been extended. He also indicated that he was aware of the fact that a good many of the claims never would have been filed in time by the private claimants and that they were attempting to get from the JRSO something which they had not been diligent in claiming for themselves.

Nevertheless, Mr. Lewis said that it was believed by the Department that there were numerous claims of this sort and it was known to the Department that certain of these claims had been taken up on behalf of the claimant by Congressmen who had written to the Department. While Mr. Lewis was aware of the administrative difficulties which might be involved he thought it was not unreasonable to ask the JRSO to reinstitute a Board of Equity procedure, and to continue that procedure until such time as the JRSO might have substantially closed down its own operating activities. He suggested that if the JRSO were being asked to stay in operation merely for the purpose of processing these claims, he would consider such a request to be unreasonable. However, despite the dilatoriness of the claimant, if the JRSO was continuing other operations and would have staff and personnel at work in any case, it did not seem unreasonable to process the claims of persons who believed that their property was held by the JRSO and that they, rather than the Jewish Agency or the JDC should get the benefit of that property.

I pointed out that the extensions had been made several times and that it seemed unreasonable to allow persons who were coming in only now, to take advantage of the work and the labor which had been done by the JRSO and put that organization to the considerable extra administrative expense. I also pointed out that it was likely that a good many of the more recent claims were probably unfounded, and that persons might be putting in speculative or other claims more in the hope that something would turn up on to which they could get their hands, than in the expectation that they really had well-founded claims to property which had been in the hands of the JRSO. I also pointed out that the Board of Equity procedure had now been closed down for a period of almost a year and it seemed difficult to reopen it at this late date.

Despite these statements, Lewis and the others indicated their strong feeling that it was justifiable to ask that the Board of Equity procedure be reinstated. While there was no direct reference to the claims of the United States government on the JRSO there was mention of the fact that the JRSO had a certain amount of United States government sponsorship. It was pointed out that no responsibility was assumed by the United States for the acts of the JRSO, but that nevertheless some claimants might feel that there was some such responsibility.

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Page Number Two.

Lewis also asked me to read a letter which had been prepared to be sent to Saul Kagan or to Ben Ferencz. The letter referred to the Board of Equity problem and stated the view of the U. S. government that it would be desirable to reinstitute the Board of Equity as a part of the JRSO operation. He asked whether it would be appropriate to send such a letter at this time.

I suggested that an easier way of dealing with the situation, which I said I thought might be a somewhat difficult one, would be to allow me to consult informally with the people in the JRSO, and to get a statement in advance of their views and opinions on this subject. At that time, and after I had received those views, I could come back in the Department and have a further informal discussion of the matter with the people in the State Department. I said that I could not guarantee anything with respect to the reaction of the JRSO, but that I would undertake to bring the arguments which had been put forward by the Department to the attention of the relevant people on its Board. In conclusion I said that I was sure of the desire of everyone connected with the JRSO to do as perfect equity as was possible under the circumstances. However, there did come a limit to the time during which claims could be filed and considered.

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EXTRACT from Mr. Seymour Rabin's report on his conversation with Mr. Geoffrey Lewis on February 4, 1954.

THE BULK SETTLEMENT FOR BERLIN.

We had a fairly lengthy discussion on this subject. Lewis and Margolies recognized the obvious difficulties with Mayor Schreiber. Margolies also indicated that he had had some brief discussion on this subject with Mr. F. A. O. Schwartz, General Counsel of HICOG, when he was last in Germany. Margolies further talked a bit about the operations of Dr. Conant and pointed out that Dr. Conant was extremely effective when he took up a particular matter, but that he was accustomed to taking up a relatively few matters rather intensively, rather than spreading himself over the entire field of the HICOG operations. As a result, Margolies believed that Dr. Conant was not as fully briefed on the Berlin situation and on its importance as he might conceivably have been. It was therefore suggested by Lewis and Margolies that they would get a letter off to Mr. Parkman in Berlin and also to Dr. Conant. They would, in such a letter emphasize the importance of the Berlin Bulk settlement. They would also stress the fact that bulk settlements had been reached with all of the lander, at least in the American Zone. Although they felt the landers, so far as Berlin was concerned, were real financial problems which should not be minimized, they undertook also to point out that at the time that the bulk settlements were reached with the lander of the American Zone, similar financial problems existed. They promised to get such a letter off as soon as possible.

326510

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

PALACE OF JUSTICE, NURNBERG

19 February 1954.

Mr. Saul Kagan
JRSO - New York

JRSO Hq. letter #1925.
1600

FEB 23 1954

Dear Saul:

On the 16th of February the Court of Restitution Appeals heard the case of the Juedische Gemeinde Augsburg v. JRSO. Dr. Klibansky and Dr. Neuland appeared on behalf of the Gemeinde.

I opened the case by expressing my regret at the fact that I had stood on the same spot and prosecuted the murderers of a million Jews, and now had as my adversary the survivors of a Jewish community. I traced most of the long history of five years of fruitless negotiations in attempts to reach a settlement with Augsburg, including their manœuvres behind our back to obtain the properties on the strength of false statements.

The court was primarily interested in the law and for that reason I analysed the wording of Law 59 including the expressions of intention on the part of the legislator. Three decisions of CORA were cited to prove that when the Jewish community was incorporated into the Reichsvereinigung it was in fact dissolved within the meaning of the Military Government law. This conclusion was conveyed not to condone the Nazi action, but to record an historical fact which could not be wished away, any more than the persecution of the Jews could be denied.

Neuland had cited in his brief various directives which the Jewish community was issuing in 1941, and these I threw back at him by analysing their contents. The prohibited Jews from using the public telephones or public transportation and warned them not to conceal their stars of David. The persons signing the decrees inserted "Israel" in the middle of their names. I pointed out that these decrees were not the acts of a Jewish community, and that the members of the incorporated Reich Association even lacked the power to use their own names. I also cited three decisions in the British Zone which were exactly on point and in our favor, and six decisions of the French Zone supporting our legal argument. I explained the membership of the JRSO and the functions of each of our member organizations, and compared them with the responsibility of the present 22 Jewish Augsburg inhabitants, of whom only seven males had been in Augsburg before Hitler. Since there were 1203 original Jewish inhabitants, over 98% were scattered over the world, or gone.

I could not agree with Neuland, as stated in his brief, that the property be preserved in Augsburg for ages or centuries to come in order to preserve their cultural heritage. The current needs were far too great to permit such a luxury.

I closed with a vague reference to all the JRSO was doing and the fact that we bore the Augsburg community no malice for the errors of their judgement. We would continue to be concerned about their spiritual and social needs in the future, as we had in the past and the present.

Klibansky was the first to take the floor in opposition, pointing to the fact that he was one of the survivors of Hitler's extermination decree, although his father and his brother had not been so fortunate.

He pleaded that a community does not cease to exist when its membership is diminished, that historically there had been other attempts to destroy the community, but without success, and that it was unconscionable for the JRSO to rely upon a Nazi decree in order to seize the property. He said we were trying to destroy them in order to then say that we could help them with the money. He made reference to the fact that a Jewish community continues to exist as long as it has 10 male members, and therefore Augsburg was never dissolved, either in fact or in law.

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He had taken up a crusade against the JRSO when he learned that we refused to accept the obligations which go with the acceptance of Gemeinde property, and that in fact the Gemeinden had no voice in JRSO affairs because we refused to pay their passage to the U.S. He argued that in the other zones satisfactory agreements were reached with the Gemeinden which were content to see the property go to the successor organizations, and therefore the decisions there had not been contested since the Gemeinden retained full control in connection with distribution. The JRSO, however, was a bird of a different color which had tried to seize the assets for itself.

There was a reasonable amount of beating the air and beating the breast, but not as much as I had expected, and all in all the presentation was not too bad.

Dr. Neuland then took the floor with a recital of Bavarian decrees dating back to 1800. I was soon so bored that I lost all interest, and if he said anything more I am not aware of it. It was really a pathetic performance since the old man kept giving the court the wrong answers every time they tried to bring him back to the subject. His was a very sad plea indeed.

In general the court was rather good. They were a bit concerned about the legal validity of the Bavarian decree of 1947 saying that the Gemeinde had never ceased to exist. I explained that a German Ministry could not be given power to legislate contrary to Allied laws in a reserved field, and I think they were fairly satisfied. Their manner was good and they made it clear that they were concerned with the legal problems only and could not judge or participate in any problems concerning the distribution of funds or past disputes connected with it. They were not swayed by the emotionalism of our adversaries, and told me on rebuttal that I could just skip any reply to it.

Decision will be handed down in a month or two. I don't like to count chickens before they are hatched but I think this one is in the bag.

Cordially yours,



BENJAMIN B. FERENCZ

BBF,le

cc: JJJ
Dr. Kreutzberger
Mr. Rice
Mr. Grossmann

326521

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

270 Madison Avenue
New York 16, N.Y.

January 18, 1954

MEMORANDUM

To: Executive Committee

From: Saul Kagan

You will be interested in the following report concerning important decisions by the highest French Restitution Court on the rights of successor organizations to assets of Jewish communities in Germany.

The Court of Restitution Appeals of the French Zone has, by six uniform judgments, ruled that the Branche Francaise de la Jewish Trust Corporation for Germany only was vested with restitution claims after former Jewish communities in the French Zone.

The present Jewish communities of Mainz and Koblenz as well as the Israelitische Kultusvereinigung of Rheinland Pfalz had claimed the successorship to the former Jewish communities of Bingen, Partenheim, Alzey, Nieder-Wiesen, Rodalben and Ahrweiler (all not re-constituted) and had made settlements with the restitutors of property formerly owned by those six former Jewish communities. The settlements had been confirmed by the presidents of the respective Restitution Chambers.

The High Commissioner for the French Zone, by a petition to the Court, had applied to set aside the several settlements confirmed by the presidents of the respective Restitution Chambers and to send the cases back to those chambers, because the Branche Francaise de la Jewish Trust Corporation for Germany was exclusively vested with restitution claims concerning the property of the aforesaid former Jewish communities.

By six different judgments the Rastatt Court granted the High Commissioner's reformation, quashed the orders of the presidents of the Restitution Chambers and sent the cases back for re-hearing.

The Court, inter alia, held that:

a) de facto dissolution of the former Jewish communities was sufficient (though, because of the nullity of the Nazi measures violating the Ordre Public, their dissolution was not valid in law). As, however, those communities had lost their capacity to act and had not left any successor at the time of such loss it was such de facto dissolution which, together with the absence of a successor at that time, was the necessary and sufficient requisite for the legal title of the successor organization.

c) No German Law could abrogate the provisions of the Restitution Law in the French Zone.

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The settlements had been confirmed by the presidents of the respective Restitution Chambers.

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You will remember that in our Augsburg case our opponents made reference to an order of the Bavarian Kultusministerium by which the present Augsburg community was recognized as bearer of rights formerly vested in the original Augsburg Jewish community.

- d) The provisions of the occupation statute prevailed over and against all regulations of the German laender.
- e) Even consideration of equity did not call for a different view in favor of Jewish communities or Landesverbaende because only few of the members of the former communities had returned to Germany wherefore it was not inequitable if the legislator assigned the property of the parished Jewish organizations to a trust corporation which had to distribute such property for the benefit not only of Jews remained in or returned to Germany but also of those emigrated from Germany, in particular as the trust corporation would, in all probability, leave to the newly erected communities objects serving cultural purposes (cemeteries, synagogue plots, etc.)

Sol Kagan

MINUTES

JRSO EXECUTIVE COMMITTEE MEETING

October 9, 1953

Present: Mr. Monroe Goldwater, Presiding
Mr. Frederick Borchardt, Council of German Jews
Mr. Maurice M. Boukstein, JAFF
Mr. David Glickman, AJC
Dr. Solomon Goldsmith, Agudas
Mr. Moses A. Leavitt, AJDC
Dr. Nehemiah Robinson, WJC
Mr. Saul Kagan, Secretary

Dr. Rudolph Callmann
Dr. Eugene Hevesi
Dr. Herman Miller
Mr. Eric M. Warburg

1) Progress report on bulk settlement negotiations. Mr. Kagan pointed out that the hopes of a speedy bulk settlement in Berlin had been dimmed by the death of Mayor Reuter, who had been the most active supporter of such a settlement in his government. Negotiations had been proceeding and Mayor Reuter had been on the verge of appointing a special committee to deal with this problem. Now new contacts will have to be made with the acting Mayor and the possibility of new elections creates further uncertainties.

Mr. Kagan also reported that difficulties had been encountered with the Berlin Jewish Gemeinde, which had put forward very exaggerated demands for municipal subsidies and which threatened to block bulk settlements unless its demands were met. Negotiations have taken place with the community leadership and the community agreed to modify its demands to a more reasonable level. In view of the fact that the negotiations with the City of Berlin will now suffer a delay, there is no immediate need for the Executive Committee to consider at this time the additional arrangements with the Berlin Jewish community.

As regards a settlement of JRSO claims against the Reich, it was understood that no actual settlement could take place until the German Parliament had enacted the requisite legislation, which it was committed to do, assuming Reich liabilities up to a total of 1½ billion DM. However, in recognition of the fact that the eventual obligation was clear, the Ministry of Finance has agreed to explore the extent of its obligation to the successor organization and experts have begun to examine the records.

Mr. Kagan pointed out that in both cases the chances for an early settlement are dim. As regards the amounts involved, Mr. Kagan stated that no definite amounts could be named. As a general indication he pointed out that the sum which the successor organizations demanded in Berlin was 75 million DM, of which the JRSO share would be not more than 40%. With regard to the Reich claims, the figures were even less definite.

Mr. Kagan also stated that most of the professional staff of the JRSO had been shifted to Berlin, in order to accelerate the program there.

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Mr. Boukstein stated that before the discussion should move on to the next item on the agenda, he would like to call the attention of the meeting to a letter which had been written by an officer of the corporation and which had been circulated to members of the Executive Committee on September 9th. He pointed out that this letter stated that the appropriations made by this Executive Committee had been made ultra vires. He felt that such a statement by a member of the Board must be challenged by the Executive Committee. He also felt that a second letter by the member of the Board of October 8th, which had been circulated to the members of the Executive Committee, did not meet the objections to the first letter, since it merely went on to state that not all of the allocations made by the Executive Committee had been ultra vires. Mr. Boukstein stated that he was prepared to defer discussion of this point if the Chairman so ruled, but that in that case it should be fully discussed at the next meeting of the Executive Committee.

Mr. Borchardt reiterated his request for full financial statements of the JRSO and the operating agents. He was informed that at the forthcoming annual meeting of the JRSO there would be available an audited statement for the JRSO as of December 31, 1952, as well as a current, unaudited financial report.

The representatives of the Council of Jews from Germany pointed out that it was the basic position of their group that the funds recovered by JRSO should be used exclusively for the needs of German Jews, and that their demand for a 20% share had been a compromise demand.

It was decided to refer this whole problem to the next meeting of the Executive Committee.

2) Application of Help & Reconstruction. Mr. Goldwater pointed out that information regarding that application had been circulated to all members of the Committee. Help & Reconstruction had worked out an arrangement with the Hebrew Home for the Aged in Riverdale, whereby Help & Reconstruction would pay to the Home \$300,000, in return for which the Home would provide accommodations for 50 persons referred to the Home by Help and Reconstruction over a period of 10 years. Mr. Goldwater pointed out that Mr. Eric Warburg was present and would be happy to answer questions by the members of the Committee.

Mr. Leavitt inquired what demands would be placed by the Riverdale Home for the Aged on persons which would be admitted to the home on behalf of Help & Reconstruction. He pointed out that it was customary for all such homes to require that all persons admitted to the home sign over all their assets and expectations to the home, in order to help defray the cost of their accommodation in the home. He felt that since Help & Reconstruction would be contributing the sum of \$300,000 toward the upkeep of 50 persons for a ten-year period, the agreement should also contain some provision, limiting the contribution which would be required from the individuals involved. Mr. Warburg stated that this matter would

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be taken up with the representatives of the Home.

It was the unanimous decision of the Executive Committee to allocate the sum of \$200,000 to Help & Reconstruction for the purpose of caring for 50 aged persons through the Hebrew Home for the Aged in Riverdale, subject to approval of the agreement which would be concluded between Help & Reconstruction and the Home. It was understood that Help & Reconstruction would raise \$100,000 through other sources. It was also understood that the money could not be made available immediately, but that it would be paid within a period of one year.

3) Other Business. Mr. Borchardt requested that the request of the Council of Jews from Germany for a 20% share of JRSO proceeds be placed on the agenda for the next meeting of the Executive Committee.

326526

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

July 8th, 1953

MEMORANDUM

To: ~~Mr. Adolph Held~~
Mr. Moses A. Leavitt

From: Saul Kagan

Re: Meeting with Minister President Ehard of Bavaria

1) A meeting with Dr. Ehard has been set for 11:30 on July 9th at the Waldorf Astoria. I would suggest that we meet at 11:15 in the lobby of the Waldorf near the Park Avenue entrance. There are two problems for discussion:

a) Support by the representatives of Land Bavaria in the Bundesrat (Upper House) of the Federal Indemnification Law.

b) Payment of the balance on the JRSO bulk settlement.

2) The Federal Indemnification Law will be on the agenda of the Bundesrat at its July 17th meeting. There is a real danger that amendments will be proposed which, if passed, will require further action by the Bundestag, which may or may not reconvene before the elections. The Laender may desire to shift a larger share of the cost of the Federal Indemnification Law to the Federal Treasury. The draft passed by the Bundestag provides that the Laender shall bear the financial responsibility for all compensation payable to persons who resided within their territory. The Laender are further expected to contribute 15% of the cost of compensation to persecutees from areas outside of the territory of the Federal Republic.

I believe that we must plead for the passage of the law by the Bundesrat in its present form in order not to jeopardize its final enactment. In view of the fact that the Federal Government and the Laender negotiate annually agreements on the distribution between them of the revenue from certain taxes, it should be possible for the Laender to adjust their grievances in connection with this law without endangering the present legislation.

3) The following quotation from Ben Ferencz's letter sets forth our problem with respect to the payment of the balance on the JRSO bulk settlement:

"First of all the organizations might thank him for the bulk settlement which was made with Bavaria, so that he is aware of the fact that

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the agreement had international implications. Second of all, there is a little problem in connection with that settlement, to wit, Land Bavaria still owes us 2.2 million DM which they are not only refusing to pay, but are counter claiming for an additional 1 million DM on the basis of overpayment, disputed claims, equity cases, etc. We are still in the process of negotiating this dispute with the Bavarians and the issue has not yet come to a clear head. If Ehard can come back and tell his boys that they should not quibble over trifles, since the matter is politically important, it might be very helpful. In general, all the organizations have to tell him is that, with much reluctance, they agreed to a final settlement of only 19 million DM (20 minus 1 for all deductions), yet only less than 17 million has been given or credited to us. The organizations should express their amazement at Bavaria's action in withholding the balance, and urge Ehard to instruct his staff to take a generous or liberal view during the subsequent negotiations with the JRSO. Since the issues are not yet crystallized, I don't think we wught to belabor him with details."


Saul Kagan

SK:AUN

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HEADQUARTERS
 JEWISH RESTITUTION SUCCESSOR ORGANIZATION
 APO 696 A U.S. ARMY
 PALACE OF JUSTICE, NURNBERG

1 July, 1953

Mr. Saul Kagan
 JRSO - New York

JRSO Hq. letter 1730
 File: 1570-Berlin
CONFIDENTIAL

REC. & INDEXED
 JERUSALEM
 Kagan

Dear Saul,

Yesterday Dr. Weis, Dr. Tuch and I saw Mayor Reuter in connection with our proposed bulk settlement. Before the meeting I carefully reviewed all of our facts and figures to see whether we could not make some adjustments in order to meet the objections indicated by the Finanz Senator. We prepared a one-page memo, copy of which is attached, indicating that we removed some of the objectionable categories of claims such as Reich claims and substituted some others.

Our original request for 36½ million DM to cover our claims for real estate was reduced to 29 million DM to reflect the existence of mortgages and encumbrances which we subtracted in the final figure.

Our figure of 5 million DM for existing business in Berlin remained the same, although the substantiation was rather theoretical. We added one million DM to cover mortgages, particularly since Dr. Reuter had expressed special interest in this category during our first meeting with him.

Our claims for furniture were reduced from 25 million DM to the very modest figure of 2,300,000 DM which represented the value of furniture which the City of Berlin itself bought during the auctions of Jewish property.

The balance constituted claims against the Reich, which Berlin was not prepared to accept. We added 20 Million DM for pawnshop claims against the City of Berlin on the theory that the City should acknowledge liability for the valuables turned in by the West sector residents. This had been excluded from our previous memorandum in order to avoid any dispute about liability for confiscation where the confiscatory office happened to be located in the Eastern sector. I felt that we ought to include this figure since we had a strong moral argument to support our claim, particularly in view of the fact that the Laender in the U.S. zone had been required to pay for such confiscations.

We added 3 million DM as an indication of the value of property on hand which we were prepared to turn over to the City. We also included the 12 million DM which we are claiming for our indemnification claims.

This reshuffling of the delectacies in our package produced our special Tuesday bargain rate of 72,300,000 DM instead of our previous total of 94½ million DM plus.

We hoped that Herr Reuter would be quickly prepared to digest this delectable morsel. He received us cordially but since he had never received or read the previous memorandum (Denkschrift) giving an exhaustive analysis of the claims he was unable to grasp the full significance of the bargain. He showed a lively interest, however, and wanted to know exactly what was involved in each category of claims. He promised to carefully read both the memorandum and the new package.

Since we have been in Nurnberg for the past nearly 6 months of intense attention during which time we have had a number of front sees from him and absolutely no action as far as his side was concerned. He seemed a bit embarrassed by the lack of any developments and promised to personally get

...cont'd...

after his staff as soon as he had studied the matter himself. He promised to devote all the necessary time to it within the next few days and he hoped to be able to set up a new meeting with his staff, under his chairmanship, within the next 10 days or so. In the meanwhile he would be in touch with us if he had any questions about the memoranda, and he would let us know as quickly as a meeting could be arranged.

There is no doubt that Reuter is concerned about public opinion abroad. He mentioned the fact that Mr. Kellogg (self-styled president, who I believe parades under the cloak of the Association of Former European Jurists) had been in to see him about some indemnification claims, and that after reviewing the problems with Reuter Kellogg declared that he was going back to America to inform the public that Berlin was doing all that was humanly possible. I did not disabuse the Mayor by telling him that Mr. Kellogg spoke only for Mr. Kellogg, but pointed to the fact that the JRSO had thus far received nothing from Berlin. We both agreed that it was too early to talk about the method for payment of the final settlement sum and neither of us seemed to feel that this would be a major problem.

Reuter also volunteered the happy piece of news that he had recently received a letter from the Berlin Jewish Gemeinde repeating their usual complaints against the JRSO. This was apparently done in connection with the Gemeinde request for an annual subsidy for over 500,000 DM which, I gather, they justify by crying that the JRSO has taken away all of their property. After our meeting with Reuter I spoke to Galinski about this and he, of course, violently denied ever having breathed a word which might constitute an adverse reflection on the JRSO. In almost the same breath he suggested that we give them a certain percentage of whatever we receive from the bulk settlement in addition to our previous commitments. This suggestion I studiously ignored and tried to impress upon Herr Galinski the importance of a less destructive attitude, particularly in view of the fact that we had reached full agreement on all common problems. He repeated his assurances of loyalty and devotion. I picked up the check for lunch.

We also had occasion to call upon Dr. Hirschfeld, who, as you know, accompanied Reuter on his Stateside visit. This was merely a courtesy call to thank Hirschfeld for his interest, and of course to request continued interest and support, and to tell him about our meeting with Reuter. He seemed pleased and sent his best regards to Mr. Held, Mr. Estrin and said he was waiting to see George Silver. Since I don't know who Silver is I just let him wait. Please convey the appropriate messages to the appropriate people.

Jeanette Wolf was out of town and could not be seen, as was the case with Ernst Lemmer. I also tried to see the Finanz Senator Dr. Haas, but he was in the midst of a parliamentary debate and promised to call me back. I left before his call came in. Since I expect to be in Berlin again within the next 10 days we will try to see all of these people that time.

It is too early to form a definite opinion, but the initial indications for a bulk settlement are not unfavorable.

Cordially yours,

/s/

BENJAMIN B. FERENCZ

326530A

TRANSLATION

June 30, 1953
Dr. W/czMemorandum concerning the Assets of the Successor Organizations
which are to be Subject of an Agreement with Berlin

Claims for immovable assets	DM 20.000.000.-
Aryanized business enterprises which are still in existence	DM 5.000.000.-
Mortgages	DM 1.000.000.-
Furniture acquired by Berlin from persons who had their residence in the present area of West Berlin, for which the restitution claim is therefore directed against Berlin	DM 2.300.000.-
Confiscation of gold, silver and jewelry insofar as they were disposed of by the Berlin Pawnshop and insofar as they were delivered by residents of West Berlin	DM 20.000.000.-
Immovable property already in possession of the successor organizations in the present value of	DM 3.000.000.-
Claims under the Indemnification Law for the destruction and damage of synagogues and cultural objects	DM 12.000.000.-
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	DM 72.300.000.-
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Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

April 30, 1953

MEMORANDUM

To: Mr. Maurice M. Boukstein
 Mr. Moses A. Leavitt

From: Saul Kagan

Subject: Logistic Support to the JRSO

We have been trying to retain the existing offices and quarters in the U.S. Zone and we are also trying to preserve the status of our Allied staff so as not to subject them to German criminal and civil jurisdiction.

The attached letter from Mr. Wolfe, the Executive Director of the U.S. High Commission to the Army, is a hopeful development. We must now await the reaction of the Army. Should the Army react unfavorably, it may become necessary to make representations in Washington.

Saul Kagan

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April 16, 1953

Dear General O'Neill:

We have just received word from the Department of State that a coordinated State-Army reply is being prepared in respect to CINCUSAREUR telegram, SX-2980, March 17, 1953. In view of the possibility of a final decision on the overall policy concerning logistic support for private organizations and individuals, we have reviewed the listing of those involved and feel that we should now urge a reconsideration of the Jewish Restitution Successor Organization.

The JRSO organization was originally created in collaboration with the Department of State for the purpose of fulfilling certain U.S. restitution objectives. In this capacity it is continuing to perform certain functions of direct interest to the U.S. Government in Germany. Therefore, we would like to urge that JRSO be continued on the list of U.S. official agencies and accredited for logistic support under the following conditions:

1. JRSO will assume full responsibility for the employment and payment of all of its German personnel.
2. JRSO will assume full responsibility for the continuation and payments of its own telecommunications, supplies, travel and miscellaneous requirements.
3. USAREUR will continue making available to JRSO and its non-German personnel all other facilities presently provided, including use of requisitioned property upon payment of rent at rates similar to those applied to other comparable requisitioned properties in the area.
4. USAREUR will continue personnel support as outlined under "Revised Personnel Support" in General Eddy's letter of March 10, 1952.
5. Arrangements presently applicable for JRSO in Berlin will continue.

Sincerely,

Glenn G. Wolfe
Executive Director

Brigadier General Edward J. L'Neill,
Deputy Chief of Staff for Administration,
Headquarters, U.S. Army, Europe,
APO 402, U.S. Army.

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