

questions of public morality and that the Germans owe a moral obligation to the worst victims of Nazism. The American Jewish Committee has attempted to get some German voice to speak out in favor of the moral imperative for restitution and indemnification. This effort has in part borne fruit, as reflected in a clause the Social Democratic Party introduced in the proposed Bonn constitution in which the trizonal state acknowledges its moral obligation to make restitution and indemnification. There is a need to follow up on this, by way of getting Military Government and the State Department to see that the Germans implement this principle. The American Jewish Committee has succeeded in getting the State Department to instruct its representatives in Germany to use their influence in getting the principles of Military Government Law 59 accepted by the other western occupation powers.

The situation in Austria is essentially the same as in Germany. Political expediency over-rides considerations of public morality. For example, the adoption of vital legislation in the field of restitution, especially that related to the recovery of leasehold interests confiscated during the Anschluss, is shelved, because the legislation would adversely affect approximately 500,000 former Nazis who were extended an amnesty and whose political patronage the political parties are courting.

Although consistent efforts have been made to induce the Austrians to adopt favorable legislation on heirless and unclaimed property, no perceptible progress has been made in this field. The concerted effort to get the Austrian authorities to advance a 25,000,000 Schilling

loan to the Austrian Jewish community, which would constitute an advance against the proceeds from heirless property, has been abortive to this date. Those interested in getting this loan feel that once the loan is made, Austria will be put in the position where it will virtually be compelled to adopt legislation creating a fund out of the proceeds of heirless property.

It is imperative that Jews employ every political instrument at their disposal to induce the German and Austrian authorities to meet their obligations with respect to restitution and indemnification.

DR. NUSSBAUM outlined the progress that had been made with the German general claims law for the US Zone, Germany. The law as adopted by the Laenderrat had been referred to Military Government for approval. This law was deemed unsatisfactory by Jewish interested groups in at least three important respects:

1. It excluded in-camp LPs from the class of beneficiaries who were to be indemnified for incarceration in concentration camps and other forms of deprivation of liberty.
2. It made no provision for the devolution of the claims of heirless and unclaimed property upon a successor organization.
3. It provided that the currency ratio of 10:1 apply to all monetary claims.

The Jewish groups, consisting of the JAFP, Jewish Restitution Successor Organization, the gemeinden, the Council for the Protection of Jews from Germany, Central Committee of Liberated Jews from Germany, and the Adviser's Office agreed on a common program of action, and were represented at the Legislation Review Board in Berlin by the

Jewish Adviser's Office. As a result of this intervention, the Legislation Review Board prepared a Staff Study in which General Clay was asked to return the law to the Laenderrat with the request that the law be revised to meet a number of objections, including the three stated above. To date General Clay's response to this Staff Study is not known.

MR. PLESKATZCH: It is a mistake to lose time in negotiating with the Laenderrat. If Jews are expected to salvage anything from an infemnication law before they have emigrated to Israel, General Clay should promulgate such a law in the name of Military Government. To this proposal, Major Hyman replied that since IG adopted the restitution law only with the greatest reluctance, a fortiori, it would not entertain the idea of adopting a Military Government law that would represent a burden on the German economy.

MAJOR HYMAN also reported the progress on the application for the licensing of an individual claims agency. He said that General Clay had been informed by the Office of the Jewish Adviser that upon his arrival Mr. GERSHBERG would reopen the question with him on the recognition of such an agency. In view of the unpopularity of the restitution law and the need for someone to advance fees, select counsel, manage property that might be recovered, and effect compromises, it was indispensable that some Jewish agency be set up to render these services to living claimants. General Clay's attitude towards this problem will be known after Mr. GERSHBERG'S next conference with the General.

X. PROBLEM OF GERMAN CONTROL OVER DIPS

MAJOR HYMAN presented a brief résumé of the current status of this

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ARMY RELEASES GREENSTEIN REPORT
ON JEWISH AFFAIRS IN GERMANY AND AUSTRIA

Secretary of the Army Gordon Gray today released the report of Harry Greenstein, Adviser on Jewish Affairs to the United States Occupation authorities in Germany and Austria from February to October 1949. Mr. Greenstein served as Adviser in Germany to General Lucius D. Clay, General Thomas T. Handy, and U. S. High Commissioner John J. McCloy, and in Austria to General Geoffrey Keyes.

Mr. Greenstein has returned to the United States to resume his position as Executive Director, respectively, of the Jewish Charities and the Jewish Welfare Fund of Baltimore, Maryland. He has been succeeded by Major Abraham S. Hyman, who will serve as Acting Adviser to Mr. McCloy and General Keyes.

Secretary Gray, in releasing Mr. Greenstein's report, stated:

"During the period of Mr. Greenstein's service with our occupation forces overseas, most satisfying progress has been made in reducing the Jewish displaced person populations in the United States Zones of Germany and Austria. I note with pleasure that while some 40,000 Jewish displaced persons remain in the United States Zones, this represents a great reduction from a high of more than 200,000 in 1947. In helping us work toward a solution of this problem, Mr. Greenstein has made a most substantial contribution to our occupation mission."

The full text of Mr. Greenstein's report to the Secretary of the Army follows:

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HEADQUARTERS
EUROPEAN COMMAND
Office of the Adviser on Jewish Affairs
APO 403, U. S. Army

November 1, 1949

SUBJECT: Report of Mr. Harry Greenstein, Adviser on Jewish Affairs
to the US Commands, Germany and Austria.

TO : Honorable Gordon Gray, Secretary,
Department of the Army,
Washington, D. C.

In this report I shall (a) indicate the progress which has been made in the solution of the Jewish DP problem during the period of 1 January to 15 October 1949, (b) refer to specific problems which have been handled during this period and (c) present my observations on a number of issues which still merit the interest and attention of the US authorities in Germany and Austria.

My tour of duty extended from 15 February to 31 October 1949. I am including the period between 1 January and 15 February because my predecessor, Dr. William Haber, who vacated the post of Adviser on 15 January 1949, reported to you for the period up to 31 December 1948.

A. Solution of the DP Problem.

The mass resettlement of the Jewish DPs, which started with the emergence of the State of Israel and with the implementation of the U.S. DP Act, continued throughout the period covered by this report. Between 1 January 1949 and 15 October 1949, 54,700 were resettled from Germany and 12,500 from Austria. Of these 40,300 migrated to Israel, 23,500 to the United States and 3,400 to all other countries. It is estimated that as of 15 October 1949 there were 33,000 Jewish DPs in the U.S. Zone, Germany and 10,000 in the U. S. Zone, Austria. These estimates on the residual Jewish DP population include approximately 18,000 out of camp Jewish DPs in the U.S. Zone, Germany and 3,000 in the U. S. Zone, Austria.

The progress in the solution of the Jewish DP problem, measured in terms of resettlement, has been a source of great satisfaction to every one who has worked with this problem. Every person resettled represents a human being reclaimed from a life which, at best, was little more than an aimless existence. Some DPs will have problems of adjustment in Israel, in the United States and in other countries where they have been resettled. However, my observation of their absorption in and acclimatization to Israel and the United States convinces me that the effort expended

on their behalf represents an investment which has already paid incalculable dividends in terms of the present and future well being of these people. I am also confident that these DPs will make a real contribution to the countries of their resettlement.

B. Handling of Specific Problems

1. Camp Consolidation

On 1 January 1949 there were 48 Jewish DP camps in the U. S. Zone, Germany and 13 in the U. S. Zone, Austria. By 15 October these had shrunk to 10 and 7 respectively. It is my judgment that as the population of existing camps decreases through future resettlement, further consolidation will be possible, even before the IRO phases out.

The consolidation of the Jewish DP camps was achieved in record time and with a minimum of inconvenience to the Jewish DPs, as a direct result of the active cooperation between the Army authorities, the IRO, the DP leadership and the representatives of the voluntary agencies working with the Jewish DPs. It is to the credit of the Army and the IRO that they permitted the initiative in this field to be taken by those who worked exclusively with the Jewish DPs and that they progressively abided by their recommendations.

The camp consolidation program, revised only as conditions warranted, took into account the comforts of the people, sought to keep to a minimum the number of moves for each family, and synchronized the camp closings with the existing resettlement opportunities for the people involved in the moves. As the camps in the U. S. Zone, Germany, closed, the inhabitants were segregated into four categories: the medical hard core, the U.S.-bound, the Israel-bound and those who, having indicated no practical settlement choice, were labeled as the "undecided". The people moved into the camps housing exclusively those of their own category. This was done in the interest of efficiency in the future handling of the problems unique to each group.

A personal inspection of nearly all the existing Jewish DP installations in the U. S. Zone, Germany, and of some of the camps in the U. S. Zone, Austria, convinced me that gauged by accepted standards for refugee care, the Jewish DPs are adequately housed.

2. Removal of Personal Belongings:

One source of irritation to the Jewish DPs was the restriction on the removal of their personal belongings to their ultimate place of resettlement. Until 27 July 1949 the DPs were permitted to take to the countries of destination only household goods and small hand tools which craftsmen might use in self-employment. The removal of any other property required special licenses which Military Government was reluctant to grant. The DPs resented these restrictions since they felt that having lost, been deprived and robbed of nearly all of their property, they should be permitted to remove everything that they legitimately acquired in Germany, which, in turn, they needed to become self-sustaining.

After a thorough study of the problem, The European Command liberalized these regulations. In a directive dated 27 July 1949 displaced persons being resettled in group movements may take with them all property provided they are able to prove that they acquired the property legally with funds legitimately acquired. This directive has had, and in my opinion, will continue to have a salutary effect on the resettlement of the Jewish DPs. The regulations should be given most liberal interpretation to permit the DPs who have been enterprising, to take with them material goods they need in recreating their lives in the countries where they re-settle.

2. General Claims Law:

Another issue which was satisfactorily resolved within the past nine months is the General Claims Law. Under this law the Laender comprising the U.S. Zone, Germany, have undertaken to compensate those who under National Socialism suffered the loss of liberty through incarceration in concentration camps and ghettos, those who sustained injury to person or damage to property, and the dependents of those who were killed at the instigation of an agency of the Third Reich. It was in harmony with the American concept of justice that General Clay refused to put his stamp of approval on a draft of this law which excluded in-camp DPs from the class of beneficiaries, and it is to the everlasting credit of Mr. McCloy, the U.S. High Commissioner, that he did not permit a revised draft of the law to be referred to the west German State, where more than likely, it would have been indefinitely shelved. The law which Mr. McCloy approved on 4 August 1949 meant not only that the victims of National Socialism would, in some degree, be compensated for their losses but what is perhaps equally important, is the moral principle involved in having the present German government accept responsibility for the crimes committed by its predecessor. No regeneration of the German people is, in my opinion, possible until the Germans acknowledge this responsibility and until they take steps to disavow the entire complex of the Nazi regime.

4. Disposition of Non-identifiable Cultural Property:

The U. S. authorities played an important role in effecting the reclamation of a vast collection of Jewish cultural material which the Nazis had looted in Germany and in the countries they overran. The Nazis had planned to use this Judaica, by distorting it, to prove that their policy, calling for the total extinction of the Jewish people, was justified. Under U. S. Military Government jurisdiction, the Archival Depot at Offenbach spent several years in assorting this material and in segregating the identifiable from the unidentifiable property. On 15 February 1949 all of this cultural property, not identifiable as to source and ownership, was turned over to the Jewish Cultural Reconstruction, Inc., as Trustee for the Jewish people, under an agreement which charged this organization with the distribution of the property to "such public or quasi-public religious, cultural and educational institutions as it sees fit to be used in the interest of perpetuating Jewish art and culture". This property, consisting of about 130,000 items included books, Torah scrolls; synagogue paraphernalia, ritual objects and Jewish paintings and furnishings. Subsequent to this agreement, a staff of experts, representing Jewish Cultural Reconstruction, was permitted to enter the U. S. Zone, where it allocated and shipped the material to Jewish libraries and communities throughout the world.

The assistance given by the U. S. Military Government authorities in assembling and preserving this property and in helping effect this distribution represents an achievement of which the U. S. Army of Occupation can well be proud.

5. Control of Occupation Authorities Over DPs:

For the past several years, the German authorities had been advocating the extension of their police jurisdiction over the DP camps. The principal argument they employed was that the extraterritoriality enjoyed by the DPs in the camps put them beyond the reach of the German police and encouraged general lawlessness in the occupation zone. The U. S. authorities were not persuaded by this argument. They realized that the introduction of German police on a law enforcement mission in DP camps would only invite open defiance and resistance and, in general, ineffective police action. As a result of this and other considerations, the U. S. authorities were sound in taking the initiative in reserving to the High Commission control over DPs under the Occupation Statute. This control reserved to the occupation authorities should be retained at least until the terminal date of the IRO program.

C. Observations on and Recommendations with Reference to Specific Issues

1. Restitution:

One of the aims of the U. S. Occupation in Germany was to see that the persons deprived of their property as a result of National Socialist persecution should either have their property or be compensated therefore. It has also been the avowed U. S. policy that heirless and unclaimed property, subject to internal restitution, should be turned over to an appropriate successor organization. These statements of policy were enunciated in a directive of the U. S. State, War and Navy Departments, dated 15 July 1947.

Pursuant to these principles the U. S. Military Government in Germany promulgated Military Government Law No. 59, after all efforts to have the German Laender adopt such legislation had failed. Military Government also designated the Jewish Restitution Successor Organization (JRSO) as the agency to succeed to all heirless and unclaimed property, subject to restitution. Law No. 59 was everywhere applauded as a model restitution law. It was closely followed by the British authorities in the restitution laws which they recently adopted in their zone of occupation and by the Kommandatura in the restitution law applicable to the three western sectors of Berlin.

In the U.S. Zone there is general satisfaction with the implementation of the law to date. Private claimants are making progress in getting back their property and the JRSO, which has filed over 160,000 claims, is optimistic about its ability to reduce to possession a substantial part of the heirless and unclaimed property.

The restitution law is an exceedingly unpopular one with the German people. This is evident in the fact that the German leaders were unwilling to risk their political futures by sponsoring a law of this character. It is easy to rationalize the wrongful acquisition of property. The Germans are and will continue to be reluctant to surrender to the rightful owners the property which was confiscated

during the Nazi regime. It is therefore, not surprising to learn that in Germany today protective organizations are emerging with the avowed aim to mobilize sentiment against the restitution law, and to resist the return of property to the lawful claimants. One device to which the Germans may resort is to protract the ultimate decision of restitution cases by multiple appeal in the courts, including the U.S. Court of Appeals. More than likely the protective organizations will agitate for the abolition of the appeal to an American tribunal and for the determination of the restitution cases exclusively by the Germany judicial authorities.

Nothing must be permitted to take place which will in any way weaken the restitution law. It is impossible to restore the lives of the millions who were murdered under the Nazi regime. It is, however, possible in some measure to effect a restitution of property of which the dead and the handful of survivors were robbed. Specifically, the spirit of Law 59 must be carried out. The power to render the final decision in restitution cases must rest with an American tribunal and the U. S. authorities must be vigilant that the restitution cases which reach the courts are expeditiously handled.

The restitution program in Austria bears even closer surveillance than the program in Germany. It is regrettable that a nation which presumes to have been liberated from the Nazi grip has to this date not seen fit to legislate the return of confiscated leasehold interests nor to provide for the disposition of heirless and unclaimed property subject to restitution. The reason generally assigned for this delay has been the desire of the major political parties to win the support of the half million lesser implicated Austrian Nazis who, by virtue of having been granted an amnesty in June 1948, were rendered eligible to vote in the October elections. These elections, held on 9 October 1949, gave the League of Independent voters 16 representatives in the Austrian House of Deputies. Not only is the general growth of reaction in Austria a great likelihood but it is fairly certain that there will be organized resistance against the adoption of future restitution laws and that efforts will be made to sabotage the restitution laws which Austria has already adopted, notably the Third Restitution Law.

To the extent that the U. S. government can influence Austrian internal policy, it must not permit anything to happen which would destroy whatever good has been accomplished in Austria in the field of restitution. The U. S. government should also make it clear to the Austrians that elementary justice and decency require the immediate adoption of laws which would return to the rightful owners confiscated leasehold interests and which would provide for the disposition of heirless and unclaimed property as it is under MG Law 59 in the U.S. Zone, Germany.

One final word about the problem of restitution. It is anticipated that if the restitution laws are effectively implemented, the former owners or surviving heirs and the JRSO, as the owner of heirless and unclaimed property, will acquire substantial holdings in Germany and Austria. Nearly all of the surviving owners have migrated to other countries and the funds acquired by JRSO or by any other Jewish successor organization which may in the future be appointed, must be employed in the resettlement and rehabilitation of people who are living in Israel and in other countries. It is of the utmost importance that methods be found to permit the proceeds in the form of either goods or currency to be transferred to such areas where the surviving owners live or where the funds are needed in resettlement and rehabilitation of the victims of Nazism. - 6 - MORE

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2. Equalization of Burdens:

On 8 August 1949 the Bizonal Economic Council approved a law applicable to the U.S. and British Zones, Germany, entitled the "Ordinance to Alleviate Social Harshness". This is the first in a series of contemplated measures to equalize war burdens in Germany. The ordinance imposes a tax on all property owners with the proviso that United Nations nationals who had that status on 8 May 1945 are exempt from the tax.

It was my opinion that if any exemption is allowed, it should extend to all people who were persecuted by the Germans and at least to those who were United Nations nationals on the date the ordinance was adopted. However, it was felt that because of the difficulty of determining who might qualify as a persecutee, the problem of administration would be hopelessly complicated if persecutees were exempted. Moreover, it was pointed out that the ordinance was only an emergency measure and that when the major problem of the equalization of war burdens was treated at a later date the matter could again be reviewed.

I am of the firm opinion that in any future legislation in this field, those who are United Nations nationals on the effective date of the laws should be exempt from its burdens. The moral argument in favor of those who were either expelled or were forced to leave Germany is not subject to dispute. On the one hand they are restored to the property of which they were deprived by duress, and on the other hand they are asked to contribute to a common pool which will be used specifically to satisfy the claims of their former persecutors. In many countries, including the United States, the refugees and expellees could either not acquire citizenship during the war or insufficient time had elapsed to render them eligible under the naturalization laws. These victims of Nazi persecution should not be penalized for a condition over which they had no control. They should be spared the indignity of having to pay for the losses sustained by the people who, in the main, actively or passively supported a regime whose avowed aim it was to exterminate those who had escaped, wherever they would be found.

3. The Medical Hard Core:

Up to a few days before I gave up my office, the most difficult remaining problem with regard to the Jewish DPs in the U.S. Zones of occupation involved those who fell within the medical hard core category. These are the tubercular, the chronically ill, the invalid and the aged. Because of their physical condition they had been ineligible to immigrate to any country. Every effort was being made to rehabilitate this group so as to render them eligible for immigration. Fortunately, the negotiations which had been in progress between the Israeli Government and the International Refugee Organization looking to the resettlement of this group in Israel were successfully concluded. I am glad to report that agreement has been reached between the Israeli Government and IRO on the basis of which it will now be possible to resettle the entire group in Israel. Announcing this agreement, Mr. John Donald Kingsley, Director General of the International Refugee Organization stated: "Israel, almost alone among the nations, consistently has based its immigration policies entirely upon humanitarian considerations. No Jewish refugee ever has been found to be too sick, too poor, too help-

less for admission and a warm welcome by Israel." The happy result of this arrangement should relieve the occupation authorities and the IRO of what would have been a potentially difficult residual problem.

4. Anti-Semitism

During my tour of duty I found relatively little in Germany of what might be termed overt forms of anti-Semitism. In an occupied country, where basic attitudes are necessarily repressed, this fact is no gauge of the intensity of the anti-Semitism that still exists. No one can work in Germany for even a brief period without being conscious of the deep, underlying hatred and hostility against the Jews. It will take years, perhaps generations, before the virulent form of anti-Semitism will have spent itself.

All competent observers agree that militant nationalism in one form or another has been on the rise in Germany since early 1948. There is a reason to believe that with the creation of the Federal Republic of Germany, it will, in all likelihood, increase. This nationalism which expressed itself without restraint in the speeches of the political candidates of all parties in the recent German elections, is a danger signal which no one can afford to ignore. It is true that the Bonn constitution is democratic in concept and provides for many safeguards for the protection of the basic rights of man. However, constitutions are not self-executing. From the standpoint of the future what counts is the spirit in which Germany will be governed.

It is highly significant that in the recent elections no party, competing for the votes of the German electorate, found it politically expedient to denounce Hitlerism and its vicious anti-Jewish complex. The generation which grew up during Hitler's regime has been schooled in the leader principle and unless there is decisive rejection of Hitlerism by those elected to high public office, the German masses will continue to nurture the hatreds planted in them by their former leaders.

Chancellor Adenauer and President Heuss took a step in the right direction when, in extending New Year's greetings to the Jews of Western Germany and in inviting them to take part in the intellectual, social and political reconstruction of Germany, they said, "The Jews will not forget - the loyal Germans must not - but together we must overcome our evil inheritance." While these sentiments will be appreciated by people with democratic instincts, wherever they may reside, they will remain hollow words unless the new German Republic takes positive steps to combat anti-Semitism and to disassociate itself from its "evil inheritance" by a concrete program of action.

On the basis of my observations and work in Germany, I have formed the following conclusions:

1. It is imperative that the occupying powers recognize in anti-Semitism the rejection of the democratic principle and as the unmistakable sign of the resurgence of German nationalism in its most vicious form.

2. It is imperative that those entrusted with authority in Germany be ever vigilant against any manifestations of anti-Semitism and that they deal with it in vigorous and militant fashion.

3. It is imperative that the powers reserved by the authorities in the Occupation Statute be so exercised as to guide the press and other media of communication in bringing about a genuine regeneration of the German people.

4. From a long range point of view it is of the utmost importance to develop a positive, democratic program which will reach into the governmental circles, into the church, the family, the schools and into the daily lives of the German people.

There is no single cure for anti-Semitism. This is true of any country where the disease thrives. It is doubly true of Germany, where, sanctioned by law and dinned into the ears of the old and the young, it had become a national fetish whose validity few people questioned, and fewer had the courage to challenge. It will take at least as much time and effort to destroy the virus of hate as it took the Nazis to implant it in the hearts of the German people. It will be a long and uphill fight to which all the liberal and enlightened elements, in and out of Germany, will have to apply themselves if any perceptible dent is to be made in meeting this problem.

D. Summary

What has been achieved on behalf of the Jewish displaced persons is the result of the magnificent team work between the Army, the IRO and the Jewish Voluntary Agencies. The Army's contribution to this cause constitutes, in my judgment, one of the most inspiring chapters of our occupation history. Both in Germany and Austria, the U.S. Army has been and is regarded by the Jewish DPs as their guaranty that as long as they are required to remain in these countries, their physical security will be assured and their moral rights respected.

The Army, the IRO and the Jewish Voluntary Agencies have shared in an outstanding job in the care, rehabilitation and resettlement of the Jewish DPs. There was no precedent for the huge relief and welfare program in which the three groups participated and it is a tribute to their humanitarianism and resourcefulness that the DPs are emerging from their experience in a good state of health and in a frame of mind that promises their successful readjustment to normal life in the countries where they resettle.

There are problems to which I have referred which still require the close attention of the U. S. authorities in Germany and Austria. I have discussed each of these problems with Mr. McCloy and with General Keyes, as they relate to their respective areas of jurisdiction. I am confident that they will continue to exert their influence in the just solution of these problems.

I cannot leave my post without expressing my profound appreciation for the understanding which General Clay, Mr. McCloy, General Keyes, General Huebner and their staffs brought to each problem affecting Jewish DPs which I presented to them. They have written a chapter in social statesmanship of which the United States can be proud and which the Jewish displaced persons, as beneficiaries of their combined effort, will never forget.

/S/ Harry Greenstein
HARRY GREENSTEIN
Adviser on Jewish Affairs

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REPORT OF HARRY GREENSTEIN,
ADVISER ON JEWISH AFFAIRS
ON VISIT TO AUSTRIA MAY 28-31

June 4, 1949.

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

I want to report to you on my visit to Vienna from May 28 to May 31, and on the developments in Austria since my letter of May 11.

1. INFILTRATION FROM HUNGARY.

The situation with regard to emigration from Hungary through Czechoslovakia has changed considerably. The tightening of the border controls, both by Hungary and Czechoslovakia, seems to have effectively reduced the large scale movements. Only approximately 200 persons a week are now coming in, and the general opinion is that there is little likelihood of any substantial increase in the immediate future. Two weeks ago there were approximately 4200 persons in the Rothschild Hospital and the Arzberger School in Vienna. As of May 28, the number had been reduced to 3000.

It is my understanding that the negotiations which have been going on with the Hungarian Government call for only 5000 legal emigres, and the restrictions imposed will close the door to many. I am also informed that those who will go out of Hungary legally will move via the port of Constanza to Israel and will not be coming through Austria.

In reviewing the problem of the recent infiltration with the military authorities, I found that there is complete satisfaction with the present situation. In previous conferences, General Keyes and members of his staff were deeply concerned that the new movements would be a repetition of what took place in 1947 and that this would indefinitely postpone the ultimate solution of the Jewish DP problem in Austria. Their fears on this score have, apparently, been allayed by the rate at which the newcomers are moving out and by the fact that the new infiltration has not retarded the movement of the people out of the camps. It has been suggested in some quarters that we urge the Army to set up an additional camp in Vienna to accommodate the infiltrates. It is my judgment that, as long as the present rate of flow is not substantially exceeded, it would be imprudent to make this request. Not only would it be denied, but it might even upset the present arrangements under which the basic rations for the infiltrates is supplied by the Austrian authorities.

2. AUSTRIA'S REFUSAL TO CONTINUE PRESENT SUPPORT OF DP CAMPS.

A critical situation has developed in the operation of the DP camps in Austria as a result of the Austrian Government's refusal to continue to maintain present financial arrangements. For some time the Austrian Government has been complaining that the overhead expenses of the IRO for running the DP camps is excessive and recently served notice that no further maintenance and care would be provided in the camps unless the administrative costs were brought down. The US military advised the Austrian Government that it had an obligation to pay for basic care and maintenance and that this obligation would have to be continued. The US

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authorities agreed, however, that the question of overhead should be reviewed. Accordingly, a joint committee, consisting of representatives of the Austrian Government, the US military and of the American Embassy, was appointed to review the reciprocal responsibility of the Austrian Government, the occupying forces, and the IRO in relationship to care and maintenance and to the administration of the DP camps. A comprehensive memorandum was drawn up, which, for the first time, defined in writing the respective areas of responsibility of the parties concerned. Prior to this, the support of the DPs in Austria rested upon an informal exchange of letters between these parties.

Within the course of the past week, Mr. Tuck, Director General of the IRO, and General Wood met with military in Vienna to review the situation and to try to work out some compromise arrangements with the Austrian Government, which would involve a reduction in overhead costs. The US authorities are now exploring this matter further with the Austrian Government, in order to arrive at some solution. IRO has taken the position that, if the Austrian Government insists in making excessive demands upon it, IRO may have to withdraw from the picture and refuse to accept any further responsibility for the DP camps. It is impossible at this writing to predict, with any degree of certainty, the ultimate outcome of this controversy. I was given to understand that the final decision will have to be made by both Washington and Geneva.

3. CLOSING OF DP CAMPS.

The picture on camp closings in Austria has not changed substantially since my last report. The camp at Bindermichel, an installation that the Army needed to accommodate its own personnel, was finally vacated. Within the past few weeks, a number of conferences have been held on the closing of New Palestine in Salzburg. This installation, housing approximately 300 people, is unique in one respect. The buildings that comprise the camp were constructed by the people themselves with funds derived from questionable sources when the former camp, bearing the same name, was closed out about a year ago. Most of the camp residents are reputed to be interested in migrating to the States. The economic structure of the camp is reflected in the fact that only ten percent of the people who live there receive AJDC supplementation.

Aside from the usual reasons for urging that the DP camps be closed as rapidly as possible, it has been my feeling that there is no reason for maintaining this particular installation as an IRO center, most of whose occupants seem to be self-sufficient. When I started to explore the matter, I found that my views were shared by the Central Committee of Austria, the Army, the IRO, and by the representatives of the Jewish voluntary agencies in Austria. The camp is scheduled to be closed on July 1. I want to caution you against any pressure that might be used to prolong its life. Every responsible person working in the local scene agrees that the ultimate welfare of the people dictates that the camp be closed.

4. COORDINATION OF AGENCIES WORKING ON RESTITUTION.

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The projected meeting on restitution, to which I referred in my previous report on Austria, was held in Vienna on May 31. The conference was attended by representatives of the Kultusgemeinde, the International Committee for Jewish Refugees, the AJDC, the American Jewish Committee, the Jewish Agency for Palestine, the World Jewish Congress, by the Israeli Consul in Austria, and by my office. It was conceded that what had been achieved in Austria in the way of restitution left much to be desired, and the discussion centered about the advisability of establishing some working machinery through which the efforts of the various

organizations concerned with the problem could be coordinated. At the conclusion of a thorough debate of the matter, it was agreed that there was a need to coordinate the activities of the organizations interested in restitution and related matters. An informal committee, with the AJDC serving as the secretariat, was set up, consisting of members of each of the organizations and groups represented at the meeting. In agreeing upon this coordinating committee, two reservations were made: One, that unless specifically authorized, the committee would not speak on behalf of all or any of the organizations represented; and, two, that the organizations would be responsible only to their respective headquarters.

In my opinion, what we achieved at this conference was a step forward in dealing with the problem of restitution in Austria. Immediately following the conference, the new committee met and, in a relatively short time, agreed upon a memorandum to be addressed to the Austrian and US authorities, sharply criticizing the most recent draft of the law on the disposition of heirless property.

Relative to the general question of restitution, I am convinced, from my discussions with people who attended the meeting and with General Balmer (Deputy High Commissioner of US Zone, Austria), that little will be accomplished in Austria until after the Fall elections. I fully endorse the steps that the cooperating organizations are taking to exert pressure in Washington with respect to the 25,000,000 shilling loan to the Austrian Jewish community. The same may eventually have to be done with the issue of the heirless property. In this connection, I believe that the new committee that will function in Austria may serve a very useful purpose. Heretofore, the Vienna Kultusgemeinde has, at least to a limited extent, served as the clearing house for the thinking on the restitution problem. Aside from the present internal struggle for power between the right and the left wing groups in the Gemeinde that may, if unfavorably resolved, immobilize the Gemeinde in dealing either with the Austrian or US authorities, I am of the opinion that on the issue of heirless property we may find the Gemeinde taking a position inconsistent with that of the world Jewish community. Consequently, it is best that the individual efforts of the organizations dealing with the problem be coordinated through a committee that will, undoubtedly, be more representative of the local and international Jewish interests than the Gemeinde.

April 7, 1949.

Mr. Harry Greenstein
Advisor on Jewish Affairs
Civil Affairs Division
APD 403
Heidelberg, Germany.

GEN. & EMERGENCY

My dear Harry:

I regret that absence from Munich has resulted in a delay in replying to a number of questions which you addressed to me recently.

I hope that what I have written in this letter will at least, to some extent, bring you up-to-date on the questions which you have raised. I am afraid however that I have been much too verbose, but having lived with this problem now for two years, every question seems to bring forth a deluge of words, but I trust that from these words, you will find the answers to your questions.

May I also add that should you, after reading this letter, want clarification or additional data, please do not hesitate to call upon me.

1. Statistics of Jews in Germany.

A. In scrutinizing the problem of population reporting and the statistics of Jewish displaced persons in Germany it is important to approach it from two aspects, (a) the official "statistics which are set up by the occupation authorities and the International Refugee Organization", and (b) the statistics which the AJDC and the C.C. work with. We do not believe that it is of interest to the Jewish Organizations to dispute the official figures. It must be understood that these official figures are used to draw rations for the population and if IRO and the military authorities are willing to accept the figures and are probably aware of the overstatement, certainly we should not disclaim their veracity. We do wish to point out that at no time, for AJDC purposes have we ever utilized these official figures.

From the statistical point of view the problem of gathering information on movements of people has always been a most difficult one. It is comparatively simple to keep statistics on a static population. On the other hand, when camps are liquidating and consolidating the possibility of being accurate in taking a count is very difficult indeed.

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I shall try to explain our complicated set up of keeping tabs on the population.

Let us take for an example the situation when a camp closes. People leave directly on Aliyah to Israel, they may be moved to another camp awaiting emigration either to Israel or to the U.S.A., invalids may be moved to a special camp. The remaining group may be moved to three or four different camps and at the same time certain of the people may lose themselves in a community. Finally, a good number may go to camps where they were not scheduled to go. To keep an accurate accounting on all of these divergent groups would require considerable staff, not only at headquarters but at each team or community. We must point out that it is difficult in this chaotic period to be able for staff to carry out some of our simpler functions, let alone trying to keep accurate statistics - but despite all these handicaps the AJDC has attempted to set up a simple control without a headcount which we believe to be accurate within 3-5% of the actual number of people in camps.

Let us examine for the moment the need for statistics from the JDC stand point as it affects the distribution of our supplies (1) We are interested in the total number of people as it affects our percentage of workers in each camp that we maintain; (2) We are interested in all categories of social cases receiving our rations, (3) and from a medical point of view, we must know our case load, the number of TBs, chronically ill, etc. With these objectives we have attempted at all times to accurately calculate our case load. When we originally set up our category system it was based not on total population but actually a breakdown of all the groups that we serve. We have attempted to maintain by constant check the validity of the figures presented. For instance, on all the medical cases each person requesting our assistance had to be examined and certified by a JDC doctor. In the case of children, our nurses give complete information on all children in the camp. Finally, when our supplies are actually issued a check is made by JDC inspectors to make sure that the supplies actually reached the needy cases or the workers. There is no question that in our files we have a more accurate picture of our people than IRO or the military authorities. This information has been available for confidential use and is the basis for our planning here in the Zone. These figures are not kept secret but have been available at all time, and in fact have been released to Headquarters, and to Jewish organizations.

The most important technique utilized by the JDC to get accurate information has been through a system of supply inspectors who have been working as a unit for about a year. We have gathered some of the best people available and have worked this group into a unit with the purpose of checking on distribution of our supplies as well as the validity of the information received from each of the camps. Before a camp receives their rations they must submit to us an accounting which gives a picture of the distribution of the last ration issue.

At the same time they submit a request based on individuals that are eligible for our supplies, requesting the total quantity of supplies. Our inspectors then check the abrechnung against their request, but at the same time check the data they have on hand which they obtained when they were present at the last issue of supplies so that, if they had issued 190 workers rations and the camp was now asking for 280, the camp would have to explain where the increase came from and provide complete justification and documentation. Through the efforts of our inspectors we have been able to maintain a close check and vigilance on the population statistics. One further word about our inspectors. Some have been camp leaders themselves, others have been supply officers in camps and although they do come across something "new under the sun" the camps have to be pretty good to get ahead of them.

Although we were able to maintain a fairly accurate check of camp populations when the camps were static and movement was sporadic and irregular, it became very difficult when the large "Aliyah" began. It was, therefore, with this in mind, that we decided to initiate a camp muster in our camps throughout the zone. We must point out that this muster is nothing new as it is done periodically by IRO, except that when IRO does it all of the cleverness of our people rises to the fore and although IRO is able to cut a few rations here and there, generally they obtain inflated figures. We feel that our muster will be far more accurate than IRO's efforts although I need not point out that if IRO knew that we were taking such a muster there will be considerable agitation not only because we were taking a muster without their knowledge but they would also want to use the final statistics which might lead to cutting of over 10,000 rations to the group. We were able to work it on a basis that we were taking a census for Passover distribution. We expect that the information on this muster will be available by the end of April.

Despite our precautions of musters, inspectors checking in camps and other tabs that we have, we also have inaugurated an emigration check system. It was first set up with the large-scale emigration to Israel and has continued, using the same methods for emigration to the US and to other countries. For people going to Israel, because documentation was necessary for eventual collection from IRO, we were able to get full lists of every person leaving. The lists included name, sex, birthdate and camp of origin. We then used these lists to arrive at new figures for cash installation. The second technique, and much more involved, was based on the final issuance of rations to each departing person. Let us take the example of a worker who is going to leave his job on the 20th March. He also has two children below the age of five. As he was leaving before the ration issue, provision had to be made to issue him the 20 days due him as a worker and for his children. The camp committee was authorized to issue a data sheet, copy of which is attached, where the camp committee certifies that this person was a worker and did have two children and asked for the rations to be issued. A member of the Jewish Agency stamped this document to certify that the man was actually leaving as

well as certifying to the family breakdown. The document was then taken to the Regional Committee which would then issue the rations. Copies of the original document before issue was sent to our Munich office and an additional copy of the issue would come to our office at the time the regional committee requested additional supplies. On the basis of these documents we would again check the information given to us by the Jewish Agency on the list of people going to Israel. Another check on the people leaving for Israel are the lists of emigrants that flow through the assembly center at Geretried. It is on the basis of this three-fold check that we feel that we can give a fairly accurate picture of the people leaving a camp or community.

In the case of deduction for US Emigration, lists are obtained from resettlement centers and are automatically deducted from our statistics, although in the case of this emigration the IRO figures reflect this decrease fairly accurately. With all of these checks we feel confident that we have at all times fairly complete knowledge of the total number of people in our camps and they are able to serve our purposes for programming and planning.

We enclose a copy of statistics covering Jews living in camps and communities as of March 1. During the month of March, a total of over 10,000 people left the camps and communities for emigration, 8,000 to Israel, 2,000 to the United States and other countries.

B. The enclosed statistics give an accurate picture of the number of communities that exist throughout Germany as well as the actual statistics of the community. These figures come directly through the community committees. We have accepted these figures as being accurate mainly because the communities do not gain anything by giving us an inflated figure, whereas in the camp the total number of workers are based on the total population, the community receives only a set number for the community and assistance to needy people only. We have from time to time made surveys in the communities and have found the figures to be approximately correct. It is also anticipated that we will be able to check again the validity of community figures based on the control of match distribution that will take place.

In connection with attitudes of the people living in communities we do not have staff available to make a Gallup poll to find out what the desires or intentions of the people living in the communities are on the question of emigration. We have found generally that, percentage wise, the community sends less on "Aliyah" than their camp brethren.

We did undertake surveys in three small communities to ascertain the intentions of their members vis a vis emigration. The survey was based on the best estimate of the leaders of the community as well as certain people in the know not on individual interviews. Copies of this survey were sent to you a short while back. The results of this survey were not entirely positive as it did not give a clear cut picture of the ever changing mood of

our Sherith Napleith. It is our opinion that the intentions of the people living in the communities vary with changing complexion of the political picture, the value of the mark, goods available on the German market, anti-Semitic reaction, status of the DP Bill, etc.etc.

Because of these complexities the best that can be put forth is an estimate. The best estimate as to the total number of Jews that will remain in Germany, not including Berlin, ranges between 15-20,000.

You have asked my reaction as to the question of integration into the German economy. There exists, as always, a tremendous contrast between the life of the Jew in camp and the Jew living in a community. Camp life was always intensely Jewish. There are political parties, cultural activities, well established schools, a life comparable to what usually existed in Polish cities before the war. On the other hand the life in the community in Germany is entirely different although you do have in the case of the larger cities like Munich, Stuttgart and Frankfurt some attempt at cultural life as well as political activities, etc. As noted above, the association of the Jew living in a community with the committee comes when he is interested in getting his ration or some other distribution of Joint products. He may come into contact with the Joint on emigration matters, but otherwise contacts with the Gemeinde set-up or the Joint is quite limited. He lives on the Kennkarte, pays his rent, in some cases even pays taxes. He patronizes Jewish sources when available but also frequents German establishments. If there are Jewish restaurants available he will patronize them, if not, he will have no qualms against going into German restaurants. He mingles freely with the German community at the Opera, cinema, concerts as well as other entertainment. The aspect of entertainment, of course, deals mainly with the group that are not too readily recognized as Jews. You would not find the religious Jew with his conventional philacteries coming into contact with the German population. Yet, on the other hand you find the Jew in the community being the most sensitive to any manifestation of anti-Semitism, even though he may not be personally affected. You will find him most vociferous in his harangue when questioned about leaving Germany, that he must leave, he wants to leave, he is only "waiting".

Very seldom will you have him stating that he wishes to remain in Germany for any length of time.

As of December 1, AJDC embarked on a policy in camps as well as communities which called for formal application by each individual requesting assistance. Using these requests as a basis we will automatically adjust our distribution figures.

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These data are being used as a basis by our field workers to check whether the need actually exists. We hope to have this survey finished for all communities by the end of this year.

C. Through the Invalid Commission, and our Medical Department we have attempted to arrive at a figure of what our hard-core will be. These figures have always been readily available, whether they be from IRO or AJDC.

The question has been raised about the IRO and rehabilitation. We would like to point out that we have always worked in the closest cooperation with the IRO medical division, and we have always been given the fullest cooperation. We would like to add that AJDC has always been eight to ten months ahead of IRO in thinking and planning. As an example, we formed a rehabilitation board in June of 1948. Only recently in March 1949 IRO made a public statement that they were ready to spend 1/4 million dollars for rehabilitation purposes. Thus far this has been implemented by the appointment of a rehabilitation consultant in Geneva. In cooperation with IRO we have established two TB rehabilitation centers at Passau and Bayrisch Gmain. The installations belonged to IRO. IRO basic food is given. But, when it actually came to working with the people, that is to have them come into the centers, it is only through the efforts of the Jewish agencies that people finally move. AJDC had to supply a number of items that IRO could not cover. For instance, we give additional food, a budget, pocket money, etc. None of these items would be furnished by IRO as they claim they would not provide these to non-Jewish installations. It therefore boils down to the factor that if we want to push through certain of our programmes, which we hold essential and desirable, it is almost mandatory that we provide staff as well as these extra items. If IRO were to attempt to run these centers by themselves it could almost be predicted that they would fail. The role of the AJDC cannot be under-emphasized in dealing with this hard-core group. It is easy enough to say that IRO is responsible and let it go at that, but unless there is constant pushing at all levels, unless there is definite preferential treatment given to these groups, they will become one of the most vociferous, demanding and hysterical groups and almost impossible to control.

It is highly possible that in our treatment of the hard core groups till now we have been fairly liberal, not only because they were the most deserving but because they were the most difficult group to handle. In these days of liquidation, their plight becomes all the more pitiful and desperate as they see their fellow Jews leave. Therefore, it is felt that any budget set up for this group would not be wasted, but would really be the "mixveh" of the whole Joint operation. We cannot emphasize too strongly that every effort is made to compel IRO to assume

the total burden.

Our estimate of the number of hard-core has been approximately 1,100 broken down as follows:

(a)	Chronic Unstable TBC.....	About 320
(b)	Medically Chronic Cases (Cardiac, kidney diseases, paralytic, etc)....	" 150
(c)	Physically Disabled (amputees, blind)..	" 300
(d)	Mentally sick.....	" 100
(e)	Mentally Retarded Children.....	" 30
(f)	Old Aged.....	" 200
	TOTAL	1,100

Added to this would be approximately 500 closed TB Cases and an additional 500 Invalids who probably could go directly to Israel at the present time, or if given a trade, could also go to Israel. This is a smaller figure than had been originally anticipated but it is felt that a considerable number have gone to Israel already. If families are included we have a hard core problem of somewhat over 3000.

Most interesting at the present time is a movement on the part of the invalids who, as a consequence of their fellow Jews leaving Germany, have requested that they should be moved to Italy or France in order to learn a trade and then move on to Israel. They feel that it would be suicide to remain in Germany in their present role and capacity and that they should be given consideration for movement out. To a certain extent this argument has validity, that is, providing that the governments of Italy and France would make necessary provisions and the United Nations would finance the movement. Of course, we cannot accept this approach and are concentrating our efforts on putting into rehabilitation the maximum number of invalids.

D. It is too early at this point to state what the position of American Jewish communities should be for assistance to the gensindes after the DPs have moved out. Our policy in the last six months has been a very positive one concerning those people who voluntarily leave the camps and go into the community in that we definitely denied them assistance. On the other hand, if the same person were to develop TB or be eligible for our care as a needy case, we render assistance.

I think we will have to differentiate between giving assistance to people in need and assistance to a community to rebuild their institutions as businesses. It is highly possible that we will have to continue to mete out assistance to these in need.

-2-

But, it is our feeling, we should not be called upon to render financial assistance for the rebuilding of Jewish institutions or businesses.

It is definitely felt that the criteria for assistance, based on the will to go to Israel, is wrong. There are thousands of people at the present time in the Zone who are awaiting emigration into the U.S. It certainly would be unjust to deprive them of our assistance during their stay while waiting to move to the U.S. On the other hand, those who have no desire to emigrate and who make no efforts towards emigration should certainly eventually be taken off of our roles. This step, though, should not be taken until at least 1950.

2. As noted above, all social categories eligible for AJDC assistance have been required to fill out a questionnaire. Based on this information we attempt to determine needs as they arise. This is true both in camps and in communities. It is expected that after our workers have investigated these cases we will have a clear picture of the problem that will remain as a hard core. While we feel that a needs test, as we normally use it, is not thoroughly applicable here, we have nevertheless made considerable progress in this direction.

2. Consolidation of Camps.

Based on consolidation, the Jewish Agency authorities in the Zone, have as you know also been in the forefront on camp consolidation, and it is expected at the present rate of immigration that all camps will be liquidated at the end of this year.

3. Problem of handling property in this liquidation period.

It must be remembered that property was acquired by a number of methods. In the early days of UNRRA considerable non-expendable property was taken forcibly from the Germans and put into the camps. Considerable property was purchased by the camp committees through funds or other assistance from the AJDC. As all this property was German property, and as the AJDC had no title, in fact we did not want to have a title because we were prohibited from acquiring these items; it was felt that these should be turned over to a liquidation board, controlled by the Central Committee, the Agency and Joint, for eventual reshipment to Israel. This has been carried out and has worked quite successfully.

On the question of JDC property brought into Germany, we find that it consists mainly of employment board equipment and supplies, and medical equipment and supplies. The principle has been set down that any JDC supplies which we could move from Germany, mainly supplies brought in to Germany, AJDC would take back into their warehouse. Supplies from

the local economy would revert to the liquidation board the same as the communal property was handled. Because of the very tight control kept on our supplies we have been successful to date of having returned to us all machinery, equipment and supplies that were on issue. AJDC Germany, because of surpluses that we have been able to obtain from camps as well as those which were available in our warehouses, have been making almost weekly shipments to other JDC operations where need is greater. Recently we shipped considerable medical supplies to Marseille for the opening of a hospital which we were able to make available from our surpluses.

The feeling is generally that there is excellent control over our supplies, that they are not going to individuals, and that surpluses and stocks remaining in camps are being handled properly. There can be no question about JDC retaining full control over all of our stocks.

4.

It can be said that the consolidation program was brought about because of the necessity not only for turning back property to the Germans, but also to cut the cost of the IRO. Fortunately, it coincided directly with our own planning. The closing out of the Kassel area, the closing out of the Regensburg area, with the bulk of people moving in to the Stuttgart and Munich area, will enable the JDC to cut its apparatus sharply, yet will not cut its effectiveness. The headquarters for the US Zone of Germany has always been in Munich and as such we have been able to maintain a fairly effective administrative headquarters which will now become both operational as well as administrative. There is no question that even if JDC had planned a consolidation it could not have fitted in more perfectly with our own thinking in respect to what would be our best operating position.

5.

In evaluating the work of IRO in the Zone there are a number of factors that must be considered. (1) Are the non-Jewish camps getting more than the Jewish camps? The answer is no. (2) Is the standard set by IRO for care and maintenance in the camps sufficient for the proper sustenance of life? The answer is yes, but certainly a continuation of the diet now given to the people would prove disastrous; that, if the people in the camps did not supplement their rations by one way or another their situation would be very poor. (3) Does IRO have the proper foreign staff to do a complete job? The answer is no. IRO has been continually harassed by the shortage of competent personnel and are continually under their personnel budget for what is considered a proper cadre for running the operation. (4) Is there a lack of control between the administration on the one hand and the operation of the camps on the other hand? The answer is yes. IRO has had to set up a fairly extensive administrative staff in order to do the proper accounting and to maintain its records, sometimes on a military basis. This is not a criticism, rather it must be pointed out in order to show the difficulties under which they are working. On the other hand, the

camps are run entirely by DP's. There may be local supervisors, but generally the work is carried out by DP staff. This certainly does not give effective control. (8) The administration of IHO in the camps is going to become more and more difficult as the most competent people depart. In effect it is highly possible that in the near future there might almost be a minor collapse of the administration in these camps. This problem of emigration of staff, incidentally, applies to all the Voluntary Societies as well as to IHO. (9) Is IHO obliged to any other organization which might in a way affect their work? The answer is yes. In the problem of feeding, we find that the US Congress makes it mandatory that DP's get no higher ration than the people living on the German economy. IHO is continually at loggerheads with the occupation authorities on such questions as indigenous personnel budgets, feeding, etc. For instance, despite the fact that a surplus of money from UNRRA was made available for child feeding OMBUS held this up for quite sometime with the argument that giving children extra food would be contrary to the rider on the DP program.

IHO-7A
The AJDC obtains considerable direct support from the IHO for gasoline, spare parts maintenance. In addition, we secure basic maintenance for 90 workers at approximately \$65. per month for each worker. Very important is the fact that through the indigenous mark budget AJDC receives free telephone communications and payment for personnel. Two-thirds of our indigenous budget requirements for personnel is covered. Only recently the military wished to cut this portion out, but strong action on the part of the Agency and IHO forestalled this attempt. We also receive free warehousing, and free rail transportation within Germany, not only for our supplies but for movement for our personnel. These items that we receive from IHO are quite considerable and would otherwise mean a very large additional expense for the AJDC.

I trust that this information will assist you, and again please do not hesitate to call upon us in the future for any further information.

BLH/jt

Samuel L. Haber
AJDC Director,
Germany.

Enclosures:

1. 4 copies - statistical report as of March, 1949.
2. Emigration Supply Control Form.

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JEWISH RESTITUTION SUCCESSOR ORGANIZATION



A F T E R F I V E Y E A R S

1948-1953

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PREFACE

The JRSO was a novel adventure on an unplumbed sea. We charted our course by the stars and set sail not knowing where or how the journey would end. The only cargo was hope and determination. There were harsh winds and bitter storms throughout the long voyage, but we rode the wave of every tempest. After five years the ship is nearing port. The treasure which it carries in its hold is limited, but its hopes have not been shattered and determination has reaped its reward. This report chronicles the story.

It was my privilege to have been entrusted with the helm in this arduous expedition. The pioneer who tries a new path must anticipate rigors on the way, but the satisfaction is so much greater when the route leads to help for the needy and oppressed. I shall always be grateful to the Jewish organizations for permitting me to participate in this historic experiment.

May I convey to the Directors of the JRSO and the operating agents my deep appreciation for their confidence and constant support. To those who guided the JRSO policies--Joseph J. Schwartz, Moses A. Leavitt, Moses Beckelman and Jerome J. Jacobson of the American Joint Distribution Committee, and Maurice M. Boukstein, George Landauer and Max Kreutzberger of the Jewish Agency for Palestine, as well as the Corporation secretaries, Eli Rock and Saul Kagan--a word of gratitude for their patience, help, encouragement and friendship. My sincere thanks also go to my colleagues of the JRSO who are the unsung heroes, without whose devotion to duty, loyalty and skill the voyage would not have been possible.

Benjamin B. Ferencz
Director General

Nuernberg, Germany.
November 1st, 1953.

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INTRODUCTION

There is a scene in Hamlet where the king, having treacherously slain his brother, seeks forgiveness in prayer. "Pray can I not" he moans, "since I am still possessed of those effects for which I did the murder." He remarks that he can never be pardoned as long as his heart is unrepentant, and he retains his ill-gotten spoils. The precept that no nation could morally retain the plundered property of its slaughtered victims inspired the formation of the JRSO. By massacre and pillage the Third Reich had sought systematically to destroy the Jews. The possessions of those who perished in the Nazi infernos would not be allowed to rest in German hands, but would, instead, be retrieved to reconstruct the shattered lives of those who survived.

Altruistic principles are not self-enforcing. Whether the humanitarian objective could be achieved amid the smouldering ruins of the vanquished and unregenerate Fuehrer State posed an unprecedented problem. Twelve Jewish organizations, distrustful but determined, decided to accept this challenge. Together they formed a philanthropic body to serve as successor to those who perished without heirs. Five years ago, in the Nazi citadel which spawned the anti-Jewish laws, the Jewish Restitution Successor Organization began its work. Half a decade is a convenient point for pausing to survey and appraise the record.

The restitution of heirless property in the U. S. Zone of Germany is only a small part of a larger mosaic. To understand it properly the entire panorama must be scanned. The pattern is designed to portray a new Germany, remedying some of the wrongs of its predecessor. An important component in the sketch is the return of Jewish property still in existence. Compensation to those whose confiscated property was sold or destroyed and to those unjustly imprisoned or divested by Nazi action of their livelihood, support and health, are other essential elements. Many of the scenes in the tableau are still obscure or are slowly beginning to emerge.

Restitution of Identifiable Property

Long before Germany's capitulation the Allied Powers began considering measures to assure the restitution of property which victims of persecution had surrendered through fear or force. Would-be acquirers were warned by Governments-in-exile and the United Nations that they would never be permitted to retain the spoliated assets. Post-war legislation in the various countries concerned was far from uniform. Even within Germany the four occupying powers could reach no agreement. The United States, for example, favored the appointment of a charitable Jewish successor organization to retrieve the heirless Jewish Property. The British Government, fearing that such funds would support Palestine's attempts to secure independence, opposed this idea. The French argued that heirless assets should go into a common fund which the German Government could then use for persecutees still in Germany. The Soviets were generally unsympathetic to special legislation enforcing property rights.

Finding agreement impossible and further delay unjustifiable the U. S. Government, at the end of 1947, proceeded unilaterally to enact a law for the restitution of identifiable property in the American Zone. All potential heirs, no matter how

remote their relationship to the original owner, were authorized to present claims. The JRSO was designated to recover the unclaimed and, therefore, presumably heirless portion. German courts were entrusted with enforcing the law under the watchful eye of an American appellate tribunal. A year and a half was to pass before the British Zone had a similar law and almost 2½ years before they accepted and appointed a Jewish Trust Corporation. It was March 1952 by the time the French Government was prepared to designate a Jewish successor organization for the French Zone. In the meanwhile the JRSO carried on alone.

Indemnification for Personal Injuries

Even greater disunity was the motif in the realm of indemnification. The objective here was to grant compensation to persons illegally imprisoned and to those who had lost their providers, their means of livelihood or their health at Nazi hands. None of the occupying powers was prepared to legislate for Germany in this field. Stimulated by U. S. prodding, the four States of the U. S. Zone enacted laws at the end of 1949 providing limited indemnity for such losses to a restricted number of persons who could qualify. Those failing to meet rigid dateline and residence requirements were barred, regardless of damage sustained. Enactments in the British and French Zones were completely fragmentary or unsatisfactory. The Soviet Zone sealed itself off and reportedly did little, if anything. Toward the end of 1950 West Berlin followed the U. S. zonal model.

To eliminate the inconsistent multiplicity the three Allied powers urged the new German Government to enact a single indemnification law for Western Germany. The Contractual Agreement, tending to restore German sovereignty, required that legislation at least as favorable as the U. S. zonal laws would be promulgated. This was an important minimum safeguard, yet many thousands of victims remained arbitrarily excluded. The Jewish organizations, mindful of the deplorable inequities, took steps to remedy the situation. United in the "Conference on Jewish Material Claims against Germany" they sought improvements. After prolonged negotiations at the Hague the German Government was, by September 1952, prepared to assure additional concessions admitting large numbers of persecutees who had previously been barred. Untiring representations by the Claims Conference seemed essential reminders that the promise required fulfillment. A year later, at the dramatic final session of the first West German Parliament, the law giving effect to most of these pledges was enacted. On 1 October 1953, more than eight years after war's end, the new law went into effect.

Monetary Claims Against the Reich

The coffers of the Reich had been sated with the stolen savings, securities and jewels of its victims. These assets had disappeared into the German treasury and could no longer be found. The Federal Republic agreed to compensate for such losses but limited its liability. The claim would be paid only if the confiscation took place in Western Germany, and the total bill could not exceed 1.5 billion DM (\$357,000,000). Payments could be spread over a ten year period, depending upon Germany's capacity to pay. Despite these safeguards the law carrying out this pledge to the Allied Governments and the Jewish organizations has not yet been drafted.

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The Claim of the State of Israel

Restitution, indemnification and promised payments for Reich liabilities were confined, almost exclusively, to losses suffered within Germany, or by persons who had been resident in Germany. Millions of East European Jews, whom the German conquerors had tagged for extermination, had been stripped of every earthly possession before they dropped into their unmarked graves. Germany had reaped the ghastly harvest of these systematically itemized effects, which included funds, jewelry, clothing, gold fillings and even toothbrushes. Restoration was impossible. The pitiful remnant which had survived the Nazi holocaust cried out to the world for help and refuge. Only one nation opened its doors without restriction. The new Jewish State of Israel offered a haven to all, so that Jews who had lived in terror might at last be free from persecution.

The financial burden to the fledgling country, which doubled its population within a few years, was staggering. Absorption and rehabilitation of a destitute group, too often shattered in mind and body, imposed an enormous drain on limited resources. While thousands of Jewish refugees dwelled in Israel's overcrowded tents on a bare subsistence level, vanquished Germany was rapidly resuming the economic leadership of Europe. The contrast between the poverty of the victims and the newly-restored wealth of their erstwhile oppressors was striking.

In the late spring of 1951 the Government of Israel called upon the occupying powers to support a payment of collective recompense to the Jewish State. On the eve of the Jewish New Year, the Federal Chancellor Dr. Adenauer invited Israel and representatives of Jewry outside of Israel to confer with the German Government. Jewish public opinion was sharply divided. Abhorrence and distrust tilted with want and hope. The vast majority affirmed that it was more honorable to help those in need than to allow pride to perpetrate plunder. Following the historic meetings at the Hague the Federal Republic promised to provide Israel with 3 billion DM (\$714, 300,000) worth of German goods during the succeeding 12 to 14 years. 450 million DM (\$107,145,000) more would go to the Jewish organizations for relief work outside of Israel.

While all of these events were evolving the JRSO was quietly continuing its pioneer work in Germany. There was no public debate on the morality of JRSO's action. Often, through its trials and tribulations, there was doubt about its prospects for success. After five years, perhaps a sounder judgment can be formed about the wisdom of this novel experiment.

RECOVERY OF HEIRLESS PROPERTY IN THE U. S. ZONE

Finding and Claiming the Property

The most important task confronting the JRSO was how, amid the desolation and ruin of Germany, ~~to discover~~ and claim all of the Jewish property which had changed hands during the dozen-year reign of the thousand-year Reich.

The law provided a scant four months from the time the JRSO was authorized to act, in August 1948, to the deadline for filing claims. The filing period for private claimants began in November 1947, but also expired on December 31, 1948.

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There was, therefore, no way for the JRSO to know in advance what would remain unclaimed and presumably heirless. The only way to counter this provision in the law was to claim everything and later sort the wheat from the chaff.

The American Joint Distribution Committee and the Jewish Agency for Palestine provided a small dollar budget, but local personnel and German marks were urgently required to move the organization into high speed motion. Military Government, under the able leadership of General Lucius D. Clay, was prepared to help. Money was advanced from occupation funds to enable the prompt employment of a force of over 300 clerks, typists, investigators and lawyers to work under Jewish supervision and control. All Germans who had been in possession of Jewish property during the Hitler years were required by law to report that fact to Military Government. These reports were made available to the JRSO where a battery of typists working round the clock, pounded out claims in eight copies each at a rate of 2000 per day. At the same time scores of investigators, based at quickly established Regional Offices throughout the Zone, scoured German real estate registries, tax returns, property control offices and official records, to supplement the Military Government information. As the deadline approached, bushels of JRSO claims were raced, as if by Roman charioteers, to the Central Filing Agency in a second-hand army ambulance which served as JRSO transport. When the count was taken, over 163,000 claims had been filed and the JRSO had thereby petitioned for the return of virtually every piece of Jewish property which had been taken in the U. S. Zone since 1933. Nothing has appeared in the past five years to indicate that substantial assets were overlooked in JRSO's desperate rush to safeguard Jewish interests.

The calm came after the storm. The flood of claims had to be sorted and minutely compared with the petitions submitted by former owners or remote heirs, many of whom, without meaning to make the puzzle more perplexing, had changed their names, intermarried, or were unable to recall an exact description of the property sought. The withdrawal of JRSO duplicate claims went on endlessly. Meanwhile extensive investigations were being conducted in an attempt to determine the facts surrounding each confiscation, the value of the property then and now, encumbrances, mortgages, depreciation, mismanagement, improvements, and possible rebuttal to potential defenses to be raised by the restitutor. Frequently the facts were obscured in history or buried in debris.

Amicable Settlements

Despite these handicaps, Jewish lawyers of the JRSO, who had been recruited from their countries of refuge, began to negotiate with German aryanizers summoned to nearly a dozen JRSO offices scattered over an area of 40,000 square miles. The experience soon proved discouraging.

Germans who had been in possession of a Jewish house or business for a decade or more were most reluctant to surrender it to a "foreign" organization. This was particularly true where they had paid the Jewish seller what they considered to be a reasonable price and had not personally coerced him. They, as all Germans, knew that the Jews were selling only because of Nazi pressures, but the concept that the transaction was thereby made voidable was one which the average layman refused to grasp. Their bitterness was deepened by a currency

reform under the terms of which the claimant was required to repay 1 Deutsch Mark for every 10 Reich Marks which he had received for the property. This currency conversion generated by Germany's war-caused inflation, and essential to German reconstruction, divested all Germans of almost all of their savings. Property holders were not immediately affected unless the property was subject to restitution. These holders blamed the Jewish claimants for their loss and indignantly denounced the entire restitution program. Associations of the so-called "loyal restitutors" were formed to bring about revision of the law. Their outraged voices found an echo in the German courts.

The JRSO was not intimidated by abuse. Every unjust outcry was resisted with determination, and the U. S. Government, as well as the American Court of Restitution Appeals, withstood the German pressures. By fairness coupled with patience and perseverance, JRSO lawyers were able to reach amicable settlement in thousands of cases. Despite these successes it soon became apparent that recovery of property on a piecemeal basis would be a costly and time-consuming process, generating venomous German hostility.

Bulk Settlements

In the summer of 1950 negotiations were begun with the State Governments which were asked to accept the assignment of all remaining JRSO claims in return for reasonable payment. The Governments would then be free to make such settlements as might appear to them to be appropriate.

It is interesting to note that under the terms of the restitution law the State was prohibited from being appointed as a successor organization. Yet the operations of the successor organization soon established that it was preferable to have the claims handled by the State. In 1945, however, no one could have trusted the shattered German Government to make a serious attempt at tracing or evaluating heirless assets. In performing this function the JRSO defined the extent of the claim and gave it a legal foundation. Whether the German Government would eventually have been prepared to make a payment without these facts remains speculative and doubtful.

During the bulk settlement negotiations each State demanded exact lists of the JRSO claims which could be subjected to independent appraisal. Political parties and Cabinets debated the merits at length. If they had any enthusiasm for such settlements they managed successfully to conceal it. By February 1951 the State of Hesse had finally consented to a bulk agreement with the JRSO. The State behaved like a reluctant groom being tugged by an eager JRSO bride, and pushed by an anxious father-in-law in the person of the U. S. High Commissioner. The amount offered to the JRSO was 25 million DM (\$5,952,000) which, after various deductions and deletions, amounted to 17½ million DM (\$4,166,700) in cash. Hesse established its own corporation to act instead of the JRSO in pressing the claims against the restitutors. Two and a half years after the date of the settlement it appeared that the State Corporation would eventually recover almost the amount it had paid, and that its total loss on the transaction would not exceed 10% or 15%.

The small State of Bremen quickly followed suit with a settlement of one and three-quarter million DM (\$416,600). Bavaria was the toughest nut to crack.

Noted as the cradle of national socialism and famed for its peasant-like parsimony, this Southern state evinced a strong disinclination to reach a reasonable agreement. The active support of the High Commissioner, Mr. John J. McCloy--the visible source of U. S. economic aid--had a most persuasive effect. After much anguish on both sides, Bavaria signed an agreement with the JRSO in April 1952 providing for a payment of twenty million DM (\$4,761,900). As of this date only 17,730,000 DM (\$4,221,500) has been paid and debates about part of the balance are in progress.

The responsible officials of Wuerttemberg-Baden, who had been among the mainstays supporting restitution and indemnification, were unalterably opposed to accepting the assignment of JRSO's claims against private persons. They reasoned that the State would be politically unable to enforce restitution demands against its own citizens, and that this breach in the restitution dike would eventually sweep away the entire program. They were prepared, however, to make a settlement for ten million DM (\$2,380,900) for claims against the Federal Government and the State itself.

The light of experience has shown that the fears of Wuerttemberg-Baden were unfounded. The opposite of their prediction has come true. Whereas some representatives of the State Governments had, before the bulk settlements, shown a tendency to oppose restitution, their attitude changed once they were in the position of the claimant and it was in their financial interest to support the law. The justice of the claims only became apparent to the State when the State became the creditor.

By virtue of these agreements with the State Governments the mass of the day-to-day work of the JRSO in the U. S. Zone was completed. The settlement of claims was the most remunerative phase of JRSO activity, but other major concerns remained.

Property Management and Sales

While negotiations with the States were in progress, daily work continued unabated. Almost 1000 pieces of property were recovered. Most often the prudent aryanizer conceded restitution where the asset had been shorn of value. A leaking ruin or a bombed-out wreck was graciously surrendered. These houses and plots, spread over hundreds of villages and towns, had to be managed and sold. Rents had to be collected, repairs made and buyers found. By 1953 JRSO salesmen, co-operating with local brokers, had sold over 800 pieces of realty for almost eight million DM (\$1,904,800). 165 pieces of property, valued at almost five million DM (\$1,190,450), without deducting encumbrances or equitable claims, are still awaiting sale. This includes three million DM (\$714,300) worth of property in Berlin, where the market is highly speculative. (See Addenda)

The Recovery of Cultural Property

Despite the concentration on the recovery and disposal of real estate JRSO interest was not confined to monetary returns. The Jewish Cultural Reconstruction

Inc., composed of leading Jewish scholars, had been designated as an operating agent of the JRSO for the purpose of dealing with cultural problems. As early as 1948 the JRSO established a Cultural Property Division to discover and retrieve cultural, artistic and religious objects. The Germans, with characteristic thoroughness, had transported to Germany and carefully stored, the contents of many Jewish libraries, museums and synagogues which the Nazis had plundered in the East. When Germany capitulated, the Allied armies took over these depots. Under JCR's guidance the collections of Judaica, Hebraica, prayer-books, bibles, periodicals and rare books, were carefully screened and sorted. Where former Jewish owners could still be traced, these cherished possessions were returned to them. Over a quarter of a million books were shipped to libraries, schools, Yeshivot and other centers of Jewish learning throughout the world. These fragments of Jewish culture, packed in over 2000 crates, were shared by Jewish students in dozens of countries.

Almost 1000 torah scrolls were recovered and removed from Germany. In Paris a group of scribes tenderly repaired these sacred tables of the law for use in new Jewish settlements in Israel. Those beyond repair received a ritual burial on Jewish soil.

Jewish scholars came from Israel and the United States to continue the search for hidden cultural treasures, and over 10,000 ceremonial objects stolen from synagogues--candlesticks, spice boxes, pointers, torah wrappers, Hanukka lamps, and amulets--were recovered and distributed by joint action of JCR and JRSO.

Nearly 700 works of art, seized by the Gestapo in Jewish museums or homes, were retrieved by the JRSO. After proud exhibition in New York they went to enrich the new museums of Israel. JRSO's participation in salvaging some of the remnants of the Jewish heritage was one of the most gratifying aspects of the restitution program.

Private Claimants Who Missed the Deadline

Historians from Josephus to Churchill have noted that once a common danger has passed, Jewish groups are given to disputing among themselves. This observation was not found to be false where JRSO touched other Jewish interests.

Several thousands of claimants had, for one reason or another, neglected to file their claim for restitution within the thirteen month period prescribed by the law. The highest court ruled that, having neglected to submit their petitions in time, their legal rights were barred. In almost all of these cases the JRSO had filed a timely claim and under the law it was therefore the only claimant entitled to recovery. The belated claimants, feeling expropriated by the JRSO, indignantly demanded that the claims or the proceeds be turned over to them as the rightful owners. The problem thus was whether the general relief interest which JRSO funds were required to serve, outweighed the demand of the possibly negligent former owner or his heirs.

It was clear that if the former owners were themselves aged or in need their demands should promptly be met. Inquiries about the age or financial condition of the claimant, however, or the reasons for his failure to safeguard his rights, encountered fierce resentment. There was also little understanding

for the fact that the law prohibited assignments by the JRSO and that special licenses and amendments would be required before anything could be done.

After overcoming the legal proscriptions it was finally decided that the JRSO would surrender its claims to all heirs, no matter how remote their relationship, provided they made themselves known before 1 January 1951. This equitable conclusion would give Jewish claimants two years more than was provided by the official deadline. Non-Jewish persecutees, whose property the JRSO could not claim, had no such possibilities. A service charge was to be imposed which varied with the value of the property and the claimant's relationship to the original owner. The more valuable the property and the more remote the kinship the higher would be the cost. The highest possible assessment for the assignment of a claim was 40%. If the case had already been completed 10% more was added, but all charges could be reduced to as low as 5% where there was evidence of hardship.

As might have been expected, considerable numbers of claimants totally ignored the new deadline and only appeared after it, too, had expired. Whether their failure was due to skepticism, apathy, ignorance or factors beyond their control was difficult to determine. Their lateness did not diminish the ardour of their criticism. Again the JRSO agreed to meet their demands, at a slightly increased service charge for the new latecomers. By public announcements the second deadline was fixed for 31 December 1951. Nevertheless, during 1952 the claims continued to come in. There appeared to be a never-ending stream of persons whose interest in their assets seemed to arise only after the JRSO had successfully concluded the case. With consummate patience the deadline was again extended, this time to 1 January 1953, a date more than five years after the law's enactment. The notifications in the press served as only a slight deterrent to the influx of new claimants. Even during 1953 hundreds appeared to demand that assets worth about two million DM (\$576,200) be withheld from general Jewish relief in order to meet their very much belated requests.

Without the timely intervention of the JRSO all of these late claims would have been lost to the former owners forever. The total value of the assets which JRSO gave to some three thousand late claimants reached fourteen and a half million DM (\$3,452,450) of which five million (\$1,190,500) was in cash. It was estimated that an additional three and a half million DM (\$833,350) more would be surrendered to applicants whose proof of the right of inheritance or share in the property was still pending. The Talmud advises: "Into the well which supplies thee with water cast no stones." This admonition went unheeded as far as the equity claimants were concerned. The JRSO action was viewed as expropriation rather than salvation. The service charges were viewed as discriminatory levies. Vilification took the place of gratitude.

Property of the German-Jewish Communities

In 1933 Germany boasted a Jewish population of six hundred thousand. Twenty years later some twenty thousand remained. Most of those who chose to remain in the country of their birth had spent time in a Nazi concentration camp or had been forced to live in terror. The lives of many had been saved by a non-Jewish spouse whose only home was Germany. Just as it was understandable that the more hardy souls would refuse to stay in a country haunted by nightmares,

so it was understandable that many who were old, ill or tired or wandering, would decide to finish their lives where they could speak their native tongue and not be viewed as foreign refugees. Many of these forlorn people lived in the hope that their burden might be eased by restitution or indemnification payments. Others re-established themselves in such trades or professions as they could. They constituted an over-aged group with unusual psychological and social difficulties. They bore the indelible scars of persecution.

In the American Zone the cities of Munich and Frankfurt, with a combined post-war Jewish population of about three and a half thousand, contained the largest congregations. Berlin, which once housed two hundred thousand Jews, now had only seven thousand. The remaining Jews of Germany were huddled in small communities with little, if any, communal life. Spiritual and moral shepherds to tend this desolate flock were scarce. It was a far cry from the proud and wealthy German-Jewish community which had earned the respect of the world in the days before Hitler.

The restitution law envisaged that the property of all Jewish communities and organizations, which Nazi law had dissolved, would be entrusted to the JRSO for distribution. Before the JRSO could be designated as the Jewish successor organization it had to establish that its membership was truly representative of the Jews, and that it therefore qualified to serve as impartial trustee. The newly formed Jewish communities in Germany challenged the scope of JRSO's dominion. They identified themselves with their predecessors and felt that legally and equitably they were the natural recipients of the former communal property. The JRSO, concerned not merely with the requirements of these 3% still remaining in Germany, but also with the other 97% which were included among the potential JRSO beneficiaries, could not share the Gemeinde view. It felt that it could not surrender the communal property to small and often irresponsible groups without consideration for their actual social and welfare needs.

In its attempt to negotiate this problem with the new communities the JRSO began with the premise that wherever there were Jews who wanted a place to pray a suitable synagogue should be available to them; wherever a house was required in which community members might meet it should be provided; and wherever an old-age home was needed it should be established. The communities were already receiving welfare aid from the Joint Distribution Committee which distributed a share of JRSO funds. Yet, in addition, the JRSO felt that cash or income-bearing property should be made available to the communities if it seemed reasonable under the circumstances.

There was deep resentment among the Gemeinden at the idea of their not being allowed to decide for themselves concerning their own needs and what could be made available to the general Jewish interest. They were angered at the idea of being treated as wards by their brethren from abroad. Lively debates ensued and it was not uncommon throughout the Zone to find JRSO and Gemeinde representatives engaged in avid *meum et tuum* discourse.

Gradually settlements began to emerge with most of the communities. Thirteen out of the seventeen larger congregations in the American Zone signed binding agreements concerning the division of the property. In some cases the new community received all of the former communal property and, in addition, as

much as 50% of the property which had formerly been owned by private foundations or trusts. The value of the assets turned over to the communities with which settlement was reached amounted to over three and a half million DM (\$833,350) as compared with the approximately five million DM (\$1,190,500) retained by the JRSO for distribution elsewhere. The four remaining communities, with a membership of less than 1% of the pre-war German-Jewish population, continued adamant. Although at their request mutually acceptable agreements had been drafted, the Gemeinden of Frankfurt, Nuernberg and Fuerth failed to sign. Their reluctance was stimulated by the fourth community, Augsburg, which led the opposition.

In the Bavarian town of Augsburg there now reside less than three dozen German Jews. Until recently they excluded from their congregation about fifty Jews from Poland who had migrated into the Augsburg vicinity. Forty Jews lived in the surrounding villages. By presenting a statement to the German authorities falsely representing that the JRSO had agreed, the Augsburg community contrived to secure for itself the return of 800,000 DM (\$190,480) worth of property which the pre-war Gemeinde of over one thousand had once owned. German courts supported their action. JRSO's attempts to negotiate or arbitrate the problem were completely unavailing. The Augsburg community obstinately rejected all compromise. In order to discharge its trust, the JRSO was impelled to challenge the German decisions which served to place in jeopardy all previous agreements reached with the Gemeinden. For the first time in the five years of its existence, the JRSO was forced to turn to the courts to decide an issue between two Jewish groups. The case is now pending before the American Court of Restitution Appeals where the final decision lies.

The irate voice of Augsburg was not alone in Germany. The State Association of the Bavarian Jewish Communities joined in full chorus in berating the JRSO. The Central Organization of the Jews in Germany challenged the validity of the agreements which the JRSO had already amicably concluded with almost all of the communities. Small groups of Jews appeared, proclaimed themselves a recreated community and demanded their share. Each demanded justice for the others, and last but not least, for itself. Justice was synonymous with property. As the Jews in Germany sought to cut the ground from under the successor organization, the JRSO was reminded of Voltaire's dictum "Defend me from my friends, I can defend myself from my enemies."

B'nai B'rith

Other groups outside of Germany also came forward with claims concerning the former communal or organizational property. One of these was the Supreme Lodge of the B'nai B'rith in Washington D. C. which had assisted in the early formation of a Jewish successor organization.

The Supreme Lodge argued that although a successor organization was a good idea for other properties the Washington Order rather than the JRSO should receive the property of the B'nai B'rith lodges in Germany. The idea of a special successor organization for B'nai B'rith properties was rejected by the U. S. Government. An internal agreement was reached, however, according to which the JRSO would recover the properties, but the proceeds would be turned over to the Supreme Lodge. The Lodge, in turn, promised to distribute the funds in much the same manner as would be done by the JRSO itself, with the greater part being spent for relief work in Israel.

Pensions

Former community officials, teachers, rabbis and cantors, who would have been entitled to a pension if their Gemeinde had not been destroyed, turned to the JRSO for payment. Although it was the Nazi State which had caused the loss by destroying the living community from which pensions could be paid, the aged and often desperate claimants sought redress from the successor organization. Despite the strong temptation to yield, the JRSO could not consent to using the fragments of Gemeinde property for this purpose.

It refused to spend Jewish relief funds in order to free the German Government of some of its obligations. Instead, the JRSO joined in vigorously pressing the Federal Republic for satisfaction. The Bund finally agreed to pay. Appropriate pension payments were begun and the JRSO joined a "Claims Conference" committee helping to accelerate the pensions program. JRSO's determination, often in the face of harsh criticism, to take the right path rather than the easy path, resulted in a very substantial saving for Jewish charity.

RESTITUTION TO PRIVATE CLAIMANTS

The restitution program dealt primarily with the restoration of property to the former owners or their heirs. Heirless and unclaimed property constituted only a residue. From over sixty countries throughout the world over fifty thousand claimants submitted petitions under the U. S. Zonal law for the return of their houses and businesses. Although buttressed with personal knowledge of the facts, the private claimants, too, encountered the type of opposition faced by the JRSO.

The basic postulates on which the law was founded were constantly attacked by organized German opposition. The only Jewish organizational voice inside Germany to speak for the defense was the JRSO. It served as a constant guardian and champion. As amicus curiae it stood by the side of the claimant when key principles were decided in the Court of Restitution Appeals. The JRSO was accepted in the councils of the legislators when changes in the law were being considered. Co-operation between the American authorities and the JRSO was exemplary. In major policy addresses the High Commissioner Mr. McCloy reaffirmed American determination to carry out the letter and spirit of the law. He warned the Germans that failure to comply would be "an omen of future disaster."

In the Contractual Agreement Germany was given no power to weaken the restitution law. The scheduled addition of German and neutral judges to the American appellate court was held in abeyance pending final ratification of the accord.

By October 1953 official High Commission records showed that over 90% of the claims for the return of specific property had been disposed of. This restored to the persecutees assets evaluated at over eight hundred million DM (\$190,480,000) as the momentous undertaking neared completion. While awaiting the issuance of a new German law providing payments for claims against the Reich, nearly 60% of these monetary demands were also brought to judgment.

It will stand as a tribute to the U. S. Government, the Military Governor, the High Commissioner, and their staffs, as well as the American courts that they had the foresight and capacity to adhere to an ideal under adverse circumstances.

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The intangible aid which the JRSO gave to the private claimants by its presence and vigilance in Germany has been perhaps its most valuable achievement. It served, in the words of the Presiding Justice of the Restitution Court, as "the mainspring of restitution" in helping to drive the program forward.

The Legal Aid Department

In London the Council for the Protection of the Rights and Interests of Jews from Germany sponsored a United Restitution Office to assist private claimants who could not afford to retain counsel. The necessary funds were advanced by the Joint Distribution Committee, the Jewish Agency--operating agents of the JRSO-- and the Central British Fund, one of England's foremost Jewish charities. The URO efforts to establish offices in the U. S. Zone were unavailing, as the American authorities felt that the function envisaged could be performed by the JRSO. At the end of 1948 a Legal Aid Department was, therefore, established by the JRSO to work in collaboration with the URO offices abroad in providing legal services to indigent claimants. After the department was organized, it was allowed almost completely independent management in order to avoid any conflict of interest between JRSO claims and the rights of the private clients.

By 1953 the IAD Jewish supervisors were actively servicing the claims of almost five thousand needy persecutees in Israel, England, the U. S. and other countries. Over four thousand five hundred cases were settled bringing the clients cash or property worth DM 27,300,000 (\$6,500,130). Charging only a modest 5% fee, this department was able to cover its own DM expenditures and leave a slight reserve to help support legal aid in the other zones.

Without the Legal Aid Department, thousands of persecutees might have been forced to abandon their claims for lack of funds. Instead, the department enabled the claimants to help themselves, provided competent professional services at a minimum cost, and served as an excellent illustration of social work at its best.

Cash Received by the JRSO

DM 68,102,000

Global Settlements	62.1%
Cash Settlements	24.9%
Sales	9.7%
Miscellaneous	3.3%

Cash Distributed by the JRSO

JAFP	56%
AJDC	26.4%
BOE	7.2%
Administration	4.9%
Miscellaneous	2.6%
In Bank	2.9%

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HOW THE JRSO MONEY WAS USED

The Total of JRSO Recoveries

The astute observer will have noted that the JRSO till was fed from several sources and in several forms. Cash came from conclusion of settlements, global payments by the States and the sale of properties. Other assets included accounts receivable, properties on hand and claims which the JRSO ceded for equitable reasons to former Jewish owners, communities or associations. By September 1953 the amicable settlement of claims produced 16,970,000 DM (\$4,040,600). The bulk assignment to the States added 42,302,000 DM (\$10,071,600) and 6,635,000 DM (\$1,578,600) was earned from the sale of restituted properties. Since many of the debtors paid only in instalments, the cash received, including some small miscellaneous payments, totalled 68,102,000 DM (\$16,214,610) with an additional balance of 4,929,000 DM (\$1,172,500) payable over the next few years. By adding non-liquid assets such as the estimated value of properties on hand and properties and claims which were given away to equitable claimants, the grand total of the JRSO worth from all sources after five years would amount to ninety-one million DM (\$21,667,100). This is the monetary measure of JRSO's success thus far. Presumably, almost all of this would have been lost to Jewish relief had no successor organization been created.

Taxation and Transfer Problems

Before JRSO funds could be put to effective use there were two major problems demanding solution. By virtue of a German law designed to equalize the burdens of the war, property owners were subjected to a tax amounting, over a number of years, to almost half the value of the property. If JRSO assets were subjected to this levy, the result would be that the German Government and its citizens would reap the benefit of a goodly share of the heirless Jewish property. The injustice of taxing the victims to ease the burdens of the aggressors was not readily apparent to either the Allied or the German Governments. After months of persistent negotiation and persuasion by the JRSO, the occupying powers, led by the U.S., finally agreed that the successor organizations should be exempt from the tax.

The other major problem concerned the transfer of JRSO assets. Although the DM recoveries could be used for charitable purposes inside Germany there was no way of sending the funds abroad. In order to maintain the stability of the German exchange the Allied authorities decreed that German marks belonging to foreign owners would have to remain frozen in Germany with all transfer possibilities blocked. Eventually a Schacht-like modification was found. These blocked marks, which included all restitution recoveries, could be sold abroad at a free market rate, but the buyer could only use them to invest in certain industries in Germany. Such a conversion required the seller to accept a discount which, until recently, fluctuated between 30% and 50% of the official rate. The net result was that Jews abroad who were in need of funds, were permitted to sell their restitution marks, but were forced thereby to suffer a very substantial loss. The gain went back into the German economy. With one hand it was given; with the other it was taken away.

The JRSO refused to permit the value of its limited resources to be depleted either by German taxation or inequitable German transfer schemes. Attempts to have its recoveries converted into foreign exchange at the official rate were

rejected, but a compromise solution was reached. A special license was issued, authorizing the JRSO to buy goods in Germany which could be exported for relief purposes abroad. This privilege, limited to twenty million DM (\$5,762,000) per year for successor organizations in all three zones, was obtained only after protracted bargaining with the German and the Allied Governments. The rebuilding of Germany was beginning to appear more important than the rehabilitation of its victims.

Recently, by a complicated transaction involving the purchase of surplus cruzeiros in Germany and goods in Brazil, a limited cash transfer at less than a 10% discount from the official rate of exchange has been evolved by the JRSO.

Cash Received by JRSO Annually
(Cumulative Totals)

1949	DM 1,000,000
1950	DM 6,000,000
1951	DM 31,000,000
1952	DM 60,000,000
1953	DM 70,000,000

Grants to the Jewish Agency for Palestine

Where the number of needy beneficiaries is large and the resources for disbursement limited, the dilemma for the trustee is great. The combined wisdom of the JRSO Board of Directors determined the use to which the limited JRSO recoveries would be put. No distribution could be made without their specific instructions, which were forthcoming only after careful and often impassioned consideration.

During the first five years, the Jewish Agency was authorized grants of 36,850,000 DM (\$8,774,000) plus an additional sum of three hundred thousand DM (\$71,430) and a loan of one million DM (\$238,100). This total of 38,157,190 DM (\$9,083,500) was to be used for relief purposes in Israel. Where does charity begin in a new country, impoverished and at war, and flooded with the destitute?

The advice of Maimonides set the pattern for the Jewish Agency:

"Anticipate charity by preventing poverty; assist the reduced fellowman so that he may earn an honest livelihood, and not be forced to the dreadful alternative of holding out his hand. This is the highest step and the summit of charity's golden ladder".

The first thirteen million DM (\$3,095,300) which the Jewish Agency received from the JRSO bought German prefabricated houses which were rushed to provide shelter to refugees crowding the tent-camps of new immigrants in Israel. The rest was earmarked for the imposing project of helping to make Israel a better and safer home for all. Agricultural machinery and tools, fertilizers, insecticides, chemicals, irrigation pipes, pumps, construction equipment and metals, moved in a slow stream to the hungry new settlements. Every crate helped ease the staggering burden of Israel's budget.

Small minds which equate charity with a dole were not restrained from criticizing this almost invisible form of relief. Yet, after five years, there is the satisfaction of knowing that most of the heirless assets recovered by the JRSO have gone to the new Jewish State. Hidden in the soil and over the face of Israel JRSO funds have, in small measure, helped provide a better haven for the persecuted.

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Grants to the American Joint Distribution Committee

In the thirty-nine years of its existence the AJDC has earned the respect and gratitude of Jews all over the world. During the Hitler years it was the "Joint" which led the heroic operations rescuing Jews from the Nazi claws. In Europe, China, Japan, Latin America, North Africa, and the Philipines, wherever Jews were forced to flee, the helping hand of the JDC was there to comfort them. In the D. P. camps of post-war Germany it was the JDC which led the way with relief shipments of food, clothing and medicines. From 1933 to 1952, with funds collected by the United Jewish Appeal in the United States, the "Joint" spent over thirty-six and a half million dollars on behalf of German Jews alone. Many millions more aided refugees from other Nazi occupied countries.

It was therefore highly appropriate that this experienced, international welfare agency should be entrusted with the disbursement of part of the JRSO funds. By October 1953, over eighteen million DM (\$4,285,800) were allocated for distribution by the JDC.

Part of the money was immediately applied to meeting some of the relief needs of the Jews still in Germany. Grants to the aged and the sick supplemented appropriations to the new German Jewish communities. "Hardcore" medical cases and refugees from the Eastern Zone were given care and assistance. All but one of the DP camps were vacated as Jewish persecutees were absorbed in the German economy or helped to find shelter in other lands. In the remaining camp, at Foehrenwald near Munich, JDC continued its spiritual, financial, medical and moral assistance to remind the unhappy inhabitants that they were not forgotten. Part of the JRSO funds helped the JDC meet some of these expenses. The larger part was earmarked for even more urgent JDC needs.

In Israel hundreds of active tubercular patients waited for hospital beds. The JDC, co-operating with the State medical authorities, erected a large hospital to help alleviate the critical shortage. JRSO funds in Germany contributed to the purchase of needed medical supplies, instruments, X-ray machines and other essential equipment.

Both the JDC and the Jewish Agency advanced JRSO funds to help finance the successor organizations in the British and French Zones. They contributed JRSO marks to the United Restitution Offices and the Claims Conference in support of efforts to procure enhanced restitution and indemnification benefits for all of Hitler's victims.

The JRSO's grants constituted but a small fraction of a large AJDC budget, sufficient to satisfy only the most critical Jewish needs. The modest JRSO contribution, like all true charity, unmarked and unheralded, helped to ease the burden.

Grants to Equity Claimants

It has already been seen that some three thousand private claimants who missed the deadline for filing restitution petitions received funds and the assignment of rights from the JRSO. These assets, which included cash, property and claims, were valued at fourteen and a half million DM (\$3,452,400) and constituted 16% of the total JRSO recoveries.

The German-Jewish Communities

The thirteen Gemeinden which reached agreements with the JRSO, received assets worth 3,760,000 DM (\$895,300), of which 410,000 DM (\$97,620) was in cash. This did not include additional amounts which were provided from JRSO funds by the AJDC. The amount these Gemeinden received was 44% of the value of property formerly owned not merely by their predecessor communities, but by local foundations and trusts as well. It constituted 4% of the total which the JRSO recovered from all sources including the heirless property formerly owned by private persons throughout the zone. These funds and buildings allocated to the new Jewish communities served as the foundation for the carrying out of their Jewish community life.

Other Organizations

Reference has also been made to a settlement with the B'nai B'rith according to which JRSO recoveries from B'nai B'rith lodges in Germany would go to the Washington Supreme Lodge. To date 441,000 DM (\$105,000) has been transferred to the Supreme Lodge, to be used for welfare purposes. About eight hundred thousand DM (\$190,500) more is held in trust in the form of cash or the estimated value of properties pending sale.

A small grant was made to the Jewish Blind Society of London for the care of blind refugees in England. An allocation recently approved by the Executive Committee would grant two hundred thousand dollars to "Help & Reconstruction", a philanthropic organization aiding refugees in the U.S. These funds, which have not yet been paid out, would go toward the construction and maintenance of a Jewish old-age home for indigent victims of Nazi persecution.

The Cost of JRSO's Administration

There is an ancient adage that a lawyer is a learned gentleman who rescues your estate from your enemies and keeps it for himself. The JRSO was essentially a law firm, albeit on a rather extensive scale. To what extent were heirless Jewish assets consumed in the complicated and difficult process of acquiring them?

At its peak, the JRSO required a staff of about three hundred and thirty persons, several of whom were brought from Israel, England, France and the U.S. Today its staff, not counting the Berlin office, which will be treated as a separate subject, number 68. The eleven regional offices throughout the Zone have now been reduced to four, including a small liaison office in Bonn.

Despite the magnitude and complexity of its operations, and its insistence on high caliber personnel, the JRSO has cost surprisingly little. Office space in requisitioned premises, furnishings and office equipment were, after negotiation, provided without charge by the U.S. Army. There were times when the withdrawal of this logistic support seemed imminent. Army authorities were not always quick to grasp the relationship between the Military Forces and the Jewish successor organization. There were times when eviction notices were posted, telephones were removed and the JRSO firmly advised that support would be promptly terminated. Nevertheless, through the good offices of the State Department and the High Commission, this important aid in furtherance of a Military Government objective was continued, thereby resulting in substantial savings to the JRSO.

While it had its largest staff, almost all JRSO expenses were covered by occupation funds advanced by Military Government. In 1952 the High Commissioner was persuaded that the expenses incurred in locating and retrieving looted property were legitimate charges which Germany, rather than its victims, should bear. The "loan", which by that time amounted to over three million DM (\$714,300), was cancelled.

After five years of intensive work the total amount that the JRSO spent from heirless Jewish assets for its administration was 3,328,000 DM (\$791,500) or 3.7% of the total assets recovered. It should be noted that for administrative expenses incurred on behalf of private equity claimants and others, the JRSO received reimbursement of 2,079,000 DM (\$592,900) which, if deducted from the administrative expenses, would result in a net expenditure from JRSO assets of only 1.3%. Even if all dollar expenditures were added to the administrative costs, the amount spent by the JRSO after five years would be less than 4% of its total recoveries.

PROBLEMS OF THE FUTURE

Berlin

The wrath of Allied devastation fell on the City of Berlin. What was not destroyed was dismantled as the former German capital was quartered and divided among the four conquering armies. In the subsequent tension between East and West, Berlin was trapped in the middle. She was again torn apart, and the two pieces welded to the opposing sides. Different city governments, different economic systems, different currencies and different alliances faced each other across the Brandenburger Tor. Surrounded on all sides by Soviet-dominated territory, West Berlin's two million inhabitants were squeezed in an economic vise. A hundred-mile-long ribbon of concrete served as Berlin's lifeline from the West. When this artery was severed by the Russians in 1948 only an emergency bridge of Allied planes could keep Berlin economically alive. Without help from the West Berlin could not survive. This was not a setting particularly conducive to the restitution of heirless property.

Despite its internal problems, almost two years after the U.S. Zonal law was passed, a restitution law for all of West Berlin was also enacted. Eventually the JRSO was designated as the Jewish successor organization for all three sectors. In the British and French sectors, it acted as agent for the successor organizations of the other zones.

In the days before Hitler, one-third of Germany's Jews called Berlin their home. During the Nazi terror thousands more sought refuge or hiding places in the capital city. The long lists of Jewish families deported to the gas chambers and crematoria of the East gave clues that much of the Jewish property could never be claimed because the owners could never be found.

After JRSO petitions were sorted and sifted it appeared that fifteen thousand pieces of real estate and an equal number of businesses in West Berlin were heirless or unclaimed by former owners. It soon became apparent, however, that these claims could not be quickly settled. The economic and political uncertainties destroyed almost all willingness or ability on the part of the restitutor to make any substantial financial payments. No one was prepared to invest large sums in buying Berlin's real estate.

The JRSO designed a two-pronged attack to overcome these obstacles. Some of the most experienced and capable members of the JRSO staff in the American Zone were sent to Berlin to give impetus to the Berlin effort. Two offices with a staff which reached 84 persons pressed the claims forward with vigor and every possible speed. Despite strenuous efforts there was no hope, however, of an early conclusion of restitution in Berlin by such means.

The JRSO, therefore, initiated bulk settlement negotiations along the lines of the settlements proposed and concluded with three of the four States in the U.S. Zone. These negotiations found the sympathetic ear of Berlin's Socialist Mayor, Ernst Reuter. They encountered, however, the jaundiced eye of the Finance Senator whose empty purse served to dampen whatever enthusiasm might otherwise have existed. For over half a year the JRSO diligently pursued its objective. The U.S. Government was persuaded to support the bulk settlement proposal, according to the terms of which Berlin was to pay almost seventy-five million DM (\$17,857,500) which the JRSO would reinvest by buying Berlin's exportable goods. At the end of September 1953 the discussions seemed to be reaching a peak. They were, however, interrupted by the untimely and tragic death of the Berlin Mayor who had been JRSO's strongest supporter. Negotiations have not yet been resumed with the newly appointed Buergermeister.

The individual settlements made by the JRSO in Berlin thus far brought total recoveries of 6,358,00 DM (\$1,512,900), of which 1,720,000 DM (\$410,500) was in cash and 4,638,000 DM (\$1,102,400) in accounts receivable or the value of restituted properties. About half of these recoveries are earmarked for the partner successor organizations in the French and British Zones.

The indications were that, barring a major political change, the rate of recovery in Berlin could not be accelerated and, on the contrary, would in all probability substantially decrease.

Despite the democratic attitude of Berlin's population, little affection appears for the restitution program. Berlin's German courts have shown a tendency to follow the precedents least favorable to the claimants. These courts are subject only to the judicial review of a newly created international tribunal where a neutral judge presides, and German judges vote in equal number with the combined representatives of the three occupation Governments. The major legal issues have not yet been finally decided in Berlin and the future of restitution depends, to a large extent, upon the judgements of the new High Court.

Bulk settlement hopes have not been abandoned but the prospects at the end of 1953 do not appear particularly promising. Should a bulk settlement in Berlin prove impossible the restitution of heirless property in that city will continue for many years to come.

Claims Against the Reich

By discriminatory taxes, levies and edicts, the Nazi Reich systematically divested its Jewish citizens of their funds and movable possessions. One decree alone imposed a collective fine of one billion marks on the German Jews. Bank accounts were, under guise of law, seized by the Reich, and Jewish-owned stocks and bonds were confiscated and sold to enrich the Nazi treasury. Government pawnshops were directed to collect all jewels and precious metals held by Jews. Under fear of imprisonment the Jewish subjects came, carrying their table silver, their candlesticks and their family heirlooms to drop them into a scale where they were weighed and traded against a worthless receipt.

For all of these losses the German Government has so far paid nothing. The stolen property can no longer be found. Most claimants and their lawyers therefore assumed that this was not the type of identifiable property which could be restored under the Military Government restitution laws, and they therefore did not bother to submit a claim. Instead, they submitted petitions under the German indemnification laws. The American appellate tribunal decided, however, that such assets were identifiable at the time of taking, and therefore a restitution judgement could be issued against the Reich directing it to replace the property or to provide the monetary equivalent. The indemnification authorities accordingly declared that claims submitted under their laws were invalid. The vast majority of Jewish claimants found themselves sitting between two chairs.

The JRSO had cautiously filed monetary claims against the Reich under the restitution law. About sixty thousand valid JRSO petitions having a nominal value of about one hundred and seventy-five million DM (\$41,668,000) were submitted. Many of these demands, however, covered the claims of those Jews who had simply not known under which law to apply. The JRSO regarded such claims as properly belonging to the private claimants.

When Germany agreed to make payments on these judgements against the Reich, it limited its liability to 1.5 billion DM (\$357,150,000), payable over a ten year period. Whether this would satisfy all the claims filed or whether there would have to be apportionment among the claimants, including the JRSO, was not known. These were some of the major legal and equitable problems which would have to be dealt with in trying to provide a measure of justice to some of those whom the Reich had plundered.

The JRSO, acting in close co-operation with the other successor organizations as well as representatives of the private claimants, has just begun to deal with this difficult complex. It constitutes an untapped well, requiring careful exploration, patience and diligence. To make this source productive, remains one of the JRSO's main problems for the immediate future.

Indemnification Claims

In November 1938 the Gestapo carefully planned violent pogroms against the Jews of Germany. In the City of Nuernberg Gauleiter Streicher led a mob to the Jewish synagogue and personally supervised its demolition. As the tremendous Star of David came off the cupola Nazi hoodlums ignited the structure which burned to the cheers of the German crowd. Throughout Germany, Jewish houses of prayer were put to the torch, Jewish shops were smashed and plundered and aged Jews were dragged into the streets by their beards for ridicule and abuse.

By virtue of the newly-enacted Federal Indemnification Law and its American Zonal precursor, the JRSO was entitled to receive compensation for this deliberate Nazi destruction of the Jewish synagogues. By an exchange of letters the Federal Government limited its liability to all successor organizations to an amount not exceeding forty million DM (\$9,524,000). It is highly probable that before offering any payment the German Government will demand minute proof of the losses sustained. The evidence lies among the cinders. The JRSO has been slowly gathering appraisals of the value of the furnishings which the Jewish synagogues contained. It also has claimed indemnity for a limited number of destroyed shops whose Jewish owners have disappeared.

Payment of such claims has last priority under the Indemnification Law. Negotiations with the Federal and State Governments on the settlement of all these claims have been initiated but more vigorous efforts will be required before results can be anticipated. The authorities of Berlin were prepared to offer the successor organizations eight million DM (\$1,904,800) for such claims, but so many conditions and strings were attached that the offer in its terms and in its amount was not acceptable. After five years, JRSO's indemnification claims still remain as unsolved problems for the future.

The Problem of Jewish Cemeteries in Germany

One of the most perplexing and disheartening of the JRSO's unsolved problems concerns the Jewish cemeteries in Germany. Even the burial grounds were confiscated by the German Government. Nazi vandals smashed the tombstones and viciously desecrated the graves. Not satisfied to torture and destroy the living, even the dead were given no rest.

After the war, Military Government enforced the restoration of almost all of the desecrated Jewish burial grounds. With the Jews gone and no Jewish communities nearby, most of the cemeteries soon fell into disrepair. Weeds were uncut, fences went unmended, and the untended plots soon became the playgrounds of German children. New desecrations were not uncommon.

The JRSO viewed the problem as a threefold one: restoration to respectable condition was the first objective, followed by perpetual maintenance and permanent Jewish supervision. A committee, representing the JRSO, the Jewish Trust Corporation, and the Jewish communities took up the matter with the Federal Government which was asked to appropriate the necessary funds. Long investigations were made concerning the condition of the nearly two thousand Jewish cemeteries in West Germany. By 1952 the Bund was prepared to provide one hundred thousand DM (\$23,800) for restoration purposes. In 1953 this was increased to the still inadequate sum of two hundred thousand DM (\$57,600). The larger problem of permanent care was unresolved. The Federal Government insisted that it was a liability of the States, and the States replied with equal fervor that it was a liability of the Bund. This debate between the two German groups has been going on for over a year and has, thus far, enabled them both to evade their obligations. In the meanwhile, the JRSO has been providing essential minimum services on a temporary basis.

The newly formed Jewish communities in Germany constitute the only available group which can be entrusted with the permanent supervision of Jewish cemeteries. The German Government, which was responsible for destroying the living communities which maintained these hallowed resting places, should bear whatever financial burden may be involved. The internal squabble concerning division of cost between Bund and Laender should not be allowed to perpetuate the current shameless state of affairs. The JRSO is vigorously pressing the Federal and State Governments for a solution which will eliminate these reminders of Nazi degradation. Despite German expressions of sympathy and concern, a satisfactory solution to the cemeteries problem is not yet in sight.

Residual Problems

The most weighty matters sink as sediment to the bottom of the barrel. In disposing of many thousands of legal claims it is unavoidable that a substantial number will require some legal action before the file can be closed. Investigations, clarification of ambiguities, procurement of legal documents, probate of wills, certificates of inheritance and time-consuming litigation of all sorts continue to require the service of the JRSO staff. In the State of Wuerttemberg-Baden, where no bulk settlement was possible, many claims against restitutors have not yet been settled. Collection of instalment payments and final accounting problems with the State Governments may take years. The JRSO restitution house cannot be tidied by a quick sweep of a vigorous broom. Much tedious and technical work remains which only time and patience can eliminate.

The differences between the JRSO and the existing and arising new Jewish communities in Germany is a vexatious problem the settlement of which may depend upon the outcome of pending court decisions. Complicated German laws governing compensation for war-caused damage may provide a new source of recovery for the JRSO. Whether the successor organizations will manage to have themselves included among the eligible beneficiaries is not yet clear.

Administrative problems of retrenchment are other matters of concern in an organization which has already lasted longer than anticipated. Major reductions have already taken place, but residual staff will be required for a considerable time before the JRSO can completely disappear from the German scene.

SUMMARY AND CONCLUSION

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It is not the going out of port but the coming-in that determines the success of a voyage. We have seen that after five years the restitution program in the U.S. Zone of Germany borders on completion. The aspirations of its sponsors have been satisfied. The JRSO served as a bulwark against the almost constant attempts to under-

mine the restitution objectives, but the laurels go to the U. S. Government which enacted the law and to the Jewish organizations which joined in insisting upon its fulfilment. It is a tragic commentary that the individual Germans concerned failed to grasp the moral urgency of voluntarily re-instating the dispossessed.

Assets valued at over eight hundred million DM (\$190,480,000) have been restored to about fifty thousand persecutees, and ninety-one million DM (\$21,667,700) more, including 68,102,000 DM (\$16,214,600) in cash, have been retrieved by the JRSO as heirless or unclaimed. Plundered Jewish books, paintings, and ritual objects, remnants of a decimated Jewish culture, were salvaged.

We have scanned some of the difficulties in discovering and claiming the heirless property and have witnessed the disillusionment in attempts to reach amicable settlements with the restitutors. The bulk agreements with the States spurred the rate of recovery and spared the JRSO the tedious and unhappy process of piecemeal litigation. Jews who had forfeited their rights to restitution found themselves reinstated to assets worth fourteen and a half million DM (\$3,452,500). As a result of JRSO vigilance thousands of indigent claimants received legal aid helping them recover cash or properties totalling twenty-seven million DM (\$7,428,700).

JRSO grants of thirty-eight million DM (\$9,047,800) to the Jewish Agency for Palestine bought prefabricated houses to shelter homeless refugees and aided Israel's reconstruction. Eighteen million DM (\$4,285,800) given to the American Joint Distribution Committee, provided funds for relief work in Germany and for the purchase of essential medical equipment. Other grants were made on behalf of the needy, the blind and the aged.

Although the restitution journey nears its end, a number of perplexing problems still remain. The recovery of property in Berlin has been retarded by political and economic circumstances. Sizeable claims against the Reich still await adjudication and legislation by the Federal Republic. Indemnification for the burning of Jewish synagogues has not yet been made and no satisfactory arrangement has been found for the perpetual care and maintenance of abandoned Jewish cemeteries in Germany. The growth, needs and demands of the new Jewish communities in Germany pose difficult questions to which no clear answers are in sight.

All of these problems may find their solution as the German Government moves further along the road of recompense for past German injustices. As far as the restitution of identifiable property was concerned, there was unfortunately no evidence of general German eagerness, or even willingness, to divest itself of the ill-gotten spoils which it possessed. Perhaps this test was too severe or came too soon. Perhaps other parts of the restitution panorama will, in the future, be completed with less reluctance and more enthusiasm. The German promise to Israel and the improved legislation for persecutees were encouraging steps in the right direction. These obligations will take years to fulfil, and for the Jewish side it will be a time of anxious waiting.

A reconstructed Germany has been accepted as a necessary ally by freedom-loving nations. Those who were conquerors have now become defenders of German soil. German armies may soon be marching again as the Western Powers are prepared to gamble that a morally and politically reborn Deutschland will make a faithful partner. What the new Germany does in the field of redress for Nazi wrongs may give the clue to the workings of the German mind and heart. In the months and years to come it will bear close watching.

"Bow, stubborn knees; and heart with strings of steel,
Be soft as sinews of the new-born babe.
All may be well

The King Kneels".

ADDENDA

NUMBER OF PROPERTIES SOLD BY JRSO
 Each symbol represents 50 properties, Cumulative Totals

1949 // _____ 20

1950 // // // // // _____ 216

1951 // // // // // // // // // // _____ 490

1952 // // // // // // // // // // // // // // // _____ 732

1953 // _____ 812

VALUE OF PROPERTIES SOLD

1949	DM	366,730.00
1950	DM	2,441,466.93
1951	DM	4,712,553.09
1952	DM	6,763,275.06
1953	DM	7,715,402.72

327873
 (327873)

DECLASSIFIED
Authority NND 765072
By Jb NARA Date 4-29-00

RG 59
Entry Recs of IRO
File IRO Finances Jan-Aug '46
Box 6

DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE

INFORMATION
COPY

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OUTGOING TELEGRAM

Control 2495

CONFIDENTIAL

7 x

July 10, 1947

7 p.m.

ORIGIN: A-H
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UE
A-H/R
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OCD
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EMBASSY

LONDON
2967

*IRO Finances
Cop Restitution of Property*

Request following be brought attention Refugee Dept.
Subject non-mon gold (urtel 3641, July 3, rptd Paris 377,
Brussels 62, Berlin 339, Vienna 88.) Dept fully in accord
that Austria different from Germany re reparations, but
US policy re non-monetary gold
cannot agree that ~~any~~ Austria ~~non-monetary gold~~
~~reparations~~, implies that Austria regarded as
on par with Germany. Two points require emphasis (1)
Restricting non-mon gold to property looted from Nazi
victims implies form of restitution rather than reparation;
(2) Believed all valuables of consequence falling within US
definition found in Austria originated entirely or almost
entirely outside Austria. Same believed true of valuables
deposit from ~~Hug~~ gold train held by French. Dept wld
appreciate info re nature and history Brit seizures in Austria.
Re direct contribution IRO, Dept reiterates views expressed
its 2538, June 12, sent Paris 2144, Brussels 827, Berlin 1247,
Vienna 418.

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FOR

DECLASSIFIED
 Authority NND 765072
 By JL NARA Date 4-29-00

RG 59
 Entry Recs of IRO
 File IRO Finances Jan-Aug '46
 Box 6

X

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-2- #2967 to LONDON, July 10, 1947

-2-

For your guidance, Dept is satisfied its position this matter accords with basic equities and is disturbed by formal approach evidenced by letters of Refugee Dept. Problem shld be approached in terms of actual valuables found and known history. Brit attitude plays into hands French who appear desirous using for own purposes valuables looted from Nazi victims who are not French. Any measures you can take to obtain more fundamental approach wld be appreciated.

Rptd to Paris as 2545, Brussels for Dorr as 965,
 Berlin as 1440, Vienna as 494.

MARSHALL

A-H: Niemanninger
 GA: JA'Todd:mlg
 7/8/47

A-H/R

CE

WE

CONFIDENTIAL

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DECLASSIFIED	RG 131
Authority E.O. 10501	Entry ROTOCAP
By [Signature]	File No. R176
NARA Date 2/2/00	Box 88

In replying, please
refer to JALck:jnd
D-28-1659

Your ref.:DAJ:bb

November 23, 1943

Mr. J. Howard Haley,
Chief, Real Estate Section,
Division of Business Operations,
Office of Alien Property Custodian,
Field Building,
Chicago, Illinois.

Re: Estate of August Krienke, deceased
Vesting Order No. 1163, as amended

Dear Mr. Haley:

Receipt is acknowledged of your memorandum of November 6, 1943, in reference to the proposed sale of certain real estate vested pursuant to Vesting Order No. 1163. You inquire whether the acceptance of the highest bid by the Custodian became effective on the day on which the Custodian executed the Award and Notification or the day on which the Notice of Acceptance was mailed to the offeror.

Perhaps, Lloyd L. Shaulis, Secretary of the Executive Committee, has forwarded to you a copy of my memorandum to him of November 6, 1943, (R-176) in reference to this matter, wherein I concluded that the failure of the Alien Property Custodian to accept the highest bid within the thirty day period specified in the bid relieved the offeror of his obligation to consent to the completion of the sale. An additional copy of this opinion is enclosed for your convenience. In view of the fact that the thirty day period expired before the date of execution of the Award and Notification and the date of mailing the Notice of Acceptance, it was unnecessary to determine on which of these dates the acceptance would have become effective.

Considering your question as a general inquiry, however, I invite your attention to the principle of contract law that the acceptance of an offer must be communicated to the offeror before the contract becomes binding. Haldane v. United States, 69 Fed. 819 (C.C.A. 8th, 1895); 1 Williston, Contracts, §70 (Rev. Ed. 1936).

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DECLASSIFIED	
Authority	E.O. 10501
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Form APC-43, "Offer to Purchase Real Property", adopts this general principle in providing that

"Notice of the acceptance by the Alien Property Custodian of this offer may be given to the offeror by mailing a written notice of such acceptance to the offeror at the address hereinafter set forth."

It follows that the mere execution of the Award and Notification by the Custodian is not an acceptance of the offer, and that communication of the notice of acceptance is necessary to make the contract binding.

In view of the fact that the offer to purchase permits the use of mail as a means of notification, the mailing of the acceptance within the time period allowed completes the contract and the acceptance is effective as of the date of mailing, even though notice thereof is not received until subsequent to the date on which the offer would have terminated if not accepted. Adams v. Lindsell, 1 B. & Ald. 681; Hilliston, supra, §81. If the Custodian uses a means of communication other than mail, and the element of time is of importance, care should be taken to use a means at least as speedy as mail would have been under the circumstances. Hilliston, supra, §83.

You also inquire whether you should continue to send the notices of acceptance from the Chicago office or whether the notices should be mailed directly to the purchaser from the Washington office. I assume that you are aware that Mr. S. J. Crowley, Chief, Division of Business Operations, has suggested the adoption of a form of Award and Notification which will permit execution in Chicago by Mr. S. J. Crowley as agent and attorney in fact for the Custodian. The choice between these suggestions is a question of administration and I am referring a copy of your memorandum to Mr. Shaulis for his information and appropriate action. Insofar as the legal consequences are concerned, the transmittal of an acceptance from the Washington office is as effective as a transmittal from the Chicago office. If the practice of mailing from the Washington office is adopted, it is possible, however, that a situation may arise, in which time is of the essence, wherein the offeror contends that if notice of acceptance had been mailed from the office to which his offer had been addressed, he would have received it prior to the time it reached him from the Washington office. Although I believe that a sound argument can be made that the mailing of the acceptance from

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the Washington office, if within the period stipulated in the offer to purchase, completed the contract, even though not received until subsequent to the expiration date of the offer and later than if it had been mailed from the office to which the offer was addressed, I suggest that acceptances be transmitted sufficiently in advance of the expiration date to avoid raising the problem.

I am returning herewith the duplicate original of Form AIC-43 executed by Mr. Frank Felka under date of September 25, 1943.

Sincerely yours,

A. Matt. Werner
 General Counsel

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R-89

6/9/43



OFFICE OF
ALIEN PROPERTY CUSTODIAN
WASHINGTON

RESTRICTED

MEMORANDUM TO: Executive Committee Supplement to R-89

FROM: A. Matt. Werner, General Counsel

SUBJECT: Return of Certain Property Erroneously Vested
by Vesting Order No. 435 (Sobernheim Claim)
Supplementary Comments

DATE: June 7, 1943

In my restricted memorandum, R-89, dated May 19, 1943, relating to the return of certain property taken by Vesting Order No. 435, I concluded that certain of the property did not fall within the purview of §2(f) of Executive Order No. 9095, as amended, and that the Custodian consequently had the power to return such property. It does not follow that the Custodian can be compelled to return such property or that he may not rely, with respect to such property, upon the delegation of all the powers of the President under §5(b) of the Act, as amended, conferred by §6 of the Executive Order, and upon the express provision of §12 of the Executive Order that no person affected by the Order

"shall be entitled to challenge the validity thereof * * * on the ground that pursuant to the provisions of this Executive Order, such order * * * was within the jurisdiction of the Alien Property Custodian rather than the Secretary of the Treasury or vice versa."

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If the Alien Property Custodian were, for reasons of policy, to vest property vestable under §5(b) of the Act, as amended, but not within the scope of §2 of the Executive Order, the Custodian would be in a position to argue that the validity of such action could not be challenged, except on an inter-agency plane. A decision for reasons of policy to retain property so vested presents an exactly parallel case. In short, assuming that §12 of the Executive Order is given full judicial effect, the fact that another cannot compel the Custodian to return such property, where he determines for reasons of policy to vest it or to retain it after vesting, does not prevent the Custodian from returning such property when he determines that the vesting was under mistake of fact and that no reasons of policy require retention of the property. Even where the Government not only has the power, but is under a duty to pay a debt, that duty may at times carry no enforceable obligation of payment. See Perry v. United States, 294 U. S. 330, 353-354 (1935).

I therefore conclude that the Custodian has the power in the present case to make a return in accordance with the recommendation of the Executive Committee made at the meeting of May 26, 1943. Nothing contained in my memorandum on this subject accomplishes any abridgement or impairment of the Custodian's jurisdiction. Indeed, pending a final decision whether the remedial procedure of §9 is applicable to vesting under §5(b), as amended, it is in my view distinctly advantageous to preserve the possibility of return under

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§5(b), in circumstances where a return is desirable. It can only conduce to inflexible administration to limit by self-denying construction the power of the Custodian to return property to non-enemies.

The policy reasons which seem to justify a return in this case, and not in other cases otherwise similar, arise from the fact that beneficial ownership of the property in question appears to lie in a person who is not an enemy national and whose acquisition of the property in his own name has already been licensed by the Secretary of the Treasury at a time when he had jurisdiction over the subject matter. On an issue of policy and discretion, the Custodian may respect such a policy determination by a sister agency, especially where the facts in his possession show no reason to question its soundness. And of course an enemy whose property has been mistakenly vested under §2(f) would have no standing to invoke the present case as a precedent.

Mr. Sobernheim's claim to ownership of the property is supported by his sworn notice of claim on Form APC-1 and by his testimony under oath in the proceedings in the action entitled Walter Sobernheim, Plaintiff v. Handel-Maatschappij "Waldorf", Defendant, in the Supreme Court of the State of New York and by various affidavits filed by him with the Treasury Department. His claim is corroborated by various affidavits executed on behalf of "Waldorf" by Mr. Otto Heineman and by Mr. Pieter J. Kooiman as attorneys in

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fact, and by a number of confirmatory documents. If the Custodian releases jurisdiction, the Treasury Department, the Netherlands Government and the Chase National Bank (which held the securities before the Vesting Order was issued) are apparently prepared to take the necessary action to permit him to put the record title in his own name. Mr. Sobernheim is at present a resident of the United States and no sufficient reason appears to call for a determination that he is an enemy national under §10 of the Executive Order.

If the Executive Committee is satisfied of these facts, it would seem appropriate to base upon them a determination of policy warranting a return of property vested under mistake of fact. This result would not require the return of property erroneously vested under §2(f) where conceded enemy interests are involved and where no Treasury license had previously been granted for transfer of the property. If the securities are returned to the Bank in whose possession they were at the time of vesting, the Custodian would not be subject to attack by any possible rival claimants, for this action would merely put all parties in the same position as though the Custodian had not acted.

A return would also be possible upon an alternative theory arising out of the same facts. If the Executive Committee wishes to recommend direct findings that the property vested as property payable or deliverable to or claimed by "Waldorf" was in fact payable and deliverable to and claimed by Mr. Sobernheim and

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not to "Waldorf", it may recommend a return directly to him. Such a recommendation may rest on the fact that there was a prior license granted by the Secretary of the Treasury, the recognition by the Netherlands Government of Mr. Sobernheim's title, the affidavits executed on behalf of Waldorf, the affidavits of Sobernheim, the supporting documents presented, and the circumstances of the case which raise no presumption of fraud. It must be noted, however, that the evidence is ex parte in character and somewhat informal. We do not have the benefit of a formal record in an adversary proceeding. The Executive Committee may therefore find it advisable to direct a further independent investigation of Mr. Sobernheim's claim to ownership and of his claim that he is not an enemy national.

Assuming that a return directly to Mr. Sobernheim is contemplated, I think it desirable for the Custodian's protection that a more formal record be made. I do not consider the same formality necessary, however, where the parties are merely restored to their positions before the vesting. It is suggested that wherever possible the preferable course in cases of return is to restore the parties to status quo so that any claims of private parties which have not come to the attention of the Custodian may be settled amongst themselves without involving the Custodian. These are matters of policy for the Executive Committee.



A. Matt. Werner
General Counsel

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R-89



OFFICE OF
ALIEN PROPERTY CUSTODIAN
 WASHINGTON

RESTRICTED
 AGENDA MATERIAL
 Not To Be Filed
 Return To The
 Secretary's Office

C-0 P-1

MEMORANDUM TO: James E. Markham
 Deputy Alien Property Custodian

FROM: A. Matt. Werner
 General Counsel

SUBJECT: Return of Certain Property Erroneously
 Vested by Vesting Order No. 435

DATE: May 19, 1943

You have requested me to consider a claim filed by Walter Sobernheim (y Magnus) for the return of certain property alleged to have been erroneously vested.

Vesting Order No. 435, executed December 4, 1942, vested in the Alien Property Custodian certain securities listed and described in Exhibit A to the Vesting Order, a copy of which is set out as Exhibit A to this memorandum. These securities were vested as property

"which is payable or deliverable to, or claimed by, N. V. Handel-Maatschappij "Waldorf","

upon a finding and determination

"that such property is the subject of litigation pending in the Supreme Court of the State of New York * * * in that certain action entitled Walter Sobernheim, Plaintiff, against N. V. Handel-Maatschappij "Waldorf", Defendant, in which action a warrant of attachment was issued and served on Chase National Bank, as custodian of the property listed in Exhibit A * * * and as a result of such attachment such property has been since the date thereof and still is in custodia legis, being in the possession of the Sheriff of the City of New York under the judicial supervision of the Supreme Court of the State of New York * * * and * * * that under such factual circumstances such property is encompassed within the purview of Section 2(f) of Executive Order No. 9095, as amended."

@ 1,745

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On January 5, 1943, Claim No. 240 was filed on Form APC-1 by Mr. Sobernheim, plaintiff in the above-described action, asking the return of certain of the vested securities, listed in Exhibit B to this memorandum.

Upon consideration of this claim and of certain subsequent supporting correspondence, I am of the opinion that the quoted findings are erroneous and that, a jurisdictional mistake of fact and law having been made, the securities in question may be returned, if as a matter of executive policy it is decided that this should be done. See my memoranda, M-34, dated December 19, 1942, and M-69, dated May 14, 1943. Although Mr. Sobernheim asserts ownership of the claimed securities in himself, it is not necessary to determine the truth of that allegation for the error involved in the Vesting Order does not involve the question of ownership. If a return is approved, restoration of the securities to the Chase National Bank, holder of the property at the time of vesting, would be appropriate. Mr. Sobernheim's attorneys have indicated that such action would satisfy the claim.

The remainder of the securities vested by the Vesting Order (except 50 shares of Union Pacific R.R. Co. Common stock, apparently included in the Vesting Order by inadvertence and of which possession has not been obtained by the Custodian) are the subject of Claim No. 399, filed on February 27, 1943 on Form APC-1 by N. V. Handel-Maatschappij "Waldorf", defendant in the above-described action. This claim raises different issues and is not considered here. No other claims have been

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filed affecting the vested property. The Netherlands Embassy has interested itself in both claims. We have been advised by Mr. B. K. Molekamp, Minister Plenipotentiary, that the Netherlands Government would interpose no objection to a return of these securities to the Chase National Bank, and by the Bank to Mr. Sobernheim.

The action referred to in the Vesting Orders was brought by Mr. Sobernheim against the "Waldorf" Company (a Netherlands corporation of which Mr. Sobernheim asserts he is sole owner and sole managing director) for monies advanced by Sobernheim to the "Waldorf" Company at various times prior to September 30, 1939. Since it is Mr. Sobernheim's contention that the securities listed in Exhibit B, although held by the bank in an account in the name of the "Waldorf" Company, are his own property, Mr. Sobernheim's attorneys were careful, in attaching the securities held by the bank for the "Waldorf" Company, to exclude from the scope of the attachment the securities claimed by Sobernheim as his own property.

The material facts are clearly and concisely set forth in a letter received from Sidney Posner, Esquire, Counsel to the Sheriff of the City of New York, dated April 26, 1943, from which I quote, noting, in footnotes, corroborative documents in our files:

"Please be advised that the records of this office disclose the following:

On March 7, 1942, said attorneys [for the plaintiff] delivered to the Sheriff for execution, a warrant of attach-

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ment dated March 2, 1942. 1/ This warrant was issued in the above action by the Supreme Court, New York County. Accompanying the warrant was a letter from the attorneys, dated March 7, 1942 which requested the Sheriff to attach certain securities specified therein. 2/ The specified securities did not include those listed in Exhibit B of this memorandum. The concluding sentence read: "You will please understand that no other property of the defendant, or held by anyone to the credit of the defendant, is to be attached, except as specifically indicated above." 2/

The attorneys for the plaintiff also delivered a notice dated March 9, 1942 which was addressed to the Sheriff and to the Chase National Bank. The notice stated that the warrant of attachment "has been delivered to the Sheriff of the City of New York for the purpose of attaching the following securities belonging to and being the property of the above named defendant, which securities are now in the possession of the Chase National Bank of the City of New York as custodian for the said defendant, to wit:". Then follows the same list of securities as appears in the letter of March 7, 1942. 3/

On March 9, 1942, a certified copy of the warrant of attachment was duly served upon the Chase National Bank. 4/

On March 13, 1942, the Chase National Bank certified to the Sheriff that it held as custodian in an account in the name of the defendant, certain securities and listed the same securities which were specified in the letter dated March 7, 1942 and the

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- 1/ A true copy of the original warrant, certified by James R. Cavanagh, Deputy Sheriff, has been furnished by claimant's attorneys.
- 2/ A copy of this letter has been furnished by claimant's attorneys.
- 3/ A true copy of this notice, certified by James R. Cavanagh, Deputy Sheriff, has been furnished by claimant's attorneys.
- 4/ A certificate by Chase National Bank, dated March 13, 1943, acknowledges service of the warrant of attachment. See footnote 5.

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notice dated March 9, 1942 referred to above. The certificate did not state that the bank was holding any other securities or property of the defendant. 5/

On March 18, 1942, the deputy sheriff in charge of the process made a demand upon the bank to turn over the securities listed in its certificate. 6/ On March 20, 1942, the bank replied that the securities mentioned in its certificate of March 13, 1942 were subject to Executive Order No. 8389, as amended, of the President of the United States, and also the Royal Netherlands Decree of May 24, 1940, and such other Orders and Decrees as may be applicable thereto. It did not turn over the securities to the Sheriff. 7/

On March 19, 1942, pursuant to the provisions of Section 921 of the Civil Practice Act, the deputy sheriff filed in the office of the Clerk of New York County, an inventory of the property attached listing the securities which had been specified in the notice, letter and certificate referred to above. The inventory made no reference to any other securities or property of the defendant. 8/

On September 29, 1942, pursuant to General Order No. 5, the Sheriff filed with the Alien Property Custodian Form APC-3. He reported that he levied upon the securities of the defendant and listed, in detail, the same securities which were previously referred to herein. No mention was made of any other securities or property of the defendant. 9/

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- 5/ A photostatic copy of the certificate, certified by James R. Cavanagh, Deputy Sheriff and by Archibald R. Watson, County Clerk and Clerk of the Supreme Court, New York County, has been furnished by claimant's attorneys. A copy of the same certificate has also been furnished by the Bank.
- 6/ The Sheriff's Inventory, filed March 19, 1943, recites that it was taken March 18, 1943. See footnote 8.
- 7/ The Bank's reply of March 20, 1942 is not in our files. The statements referred to as made therein, however, were made in the Bank's certificate of March 13, 1942. See footnote 5. That the securities were not turned over to the Sheriff is clear, inasmuch as the securities in question were obtained by the Property Division from the Bank on February 26, 1943.
- 8/ A photostatic copy of the Sheriff's Inventory, certified by Archibald R. Watson, County Clerk and Clerk of the Supreme Court, New York County, has been furnished by claimant's attorneys.
- 9/ The Sheriff's report on Form APC-3, sworn to on September 29, 1942, was received October 6, 1942.

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The foregoing recital of events clearly shows that the Sheriff's Office levied upon and attached only those securities which the plaintiff had requested the Sheriff to attach. It is also noteworthy that the Chase National Bank recognized that only those securities specified in the notice directed to them were the subject of the warrant of attachment. The Sheriff's Office has made no claim and has no interest in any other securities or property other than the securities listed in the bank certificate."

Upon these facts it clearly appears that the securities in question are not part of the subject of litigation referred to and have not been and are not now in custodia legis and are not in the actual or constructive possession of the Sheriff of the City of New York and that, accordingly, the determination that the property in question is encompassed within the purview of Section 2(f) of the Executive Order is erroneous. The recommendation for vesting appears to have been made upon the theory that all of the securities were held by the Sheriff because subject to the warrant of attachment, even though the levy was intentionally limited to a part. Upon investigation, I am unable to concur.

It is possible to make out an argument from a literal and legalistic construction of Sections 910 and 917 of the New York Civil Practice Act that the securities in question are subject to the warrant of attachment in spite of the explicit and careful attempts by the plaintiff, the Sheriff and the Bank to make it clear that the attachment does not apply to these securities, and it may be argued that the plaintiff has failed to comply with strict, technical exactitude, with the provisions of Section 910 of the Civil Practice Act. Such a construction of the New York Statute, however, would be in conflict with principles generally applicable, Curry v. Equitable Surety Co., 148 Pac. 914, 918 (Colorado,

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1915), and specifically affirmed in New York prior to the most recent amendment of these sections. Root v. Wagner, 30 N.Y. 9, 17-18 (1864). It would also be in conflict with the apparent purpose of the recent amendments which seem clearly designed to aid rather than to hinder the attaching plaintiff. Cf. The Judicial Council, Seventh Annual Report and Studies, Legislative Document (1941) No. 23. Nor is such a construction supported by any case authority subsequent to the amendments which has come to my attention. The case of Dalinda v. Abegg, 177 Misc. 265, 29 N.Y.S. (2d) 5 (1941) seems to me inapplicable. That case turned upon a procedural question foreign to the present issues and involved a denial by the defendant, rather than by the plaintiff, of the effectiveness of the levy. It did not test the power of the plaintiff to limit the levy in the manner here pursued.

Most convincing, however, is the fact that the construction in question conflicts with the practical interpretation put upon the statute by the Sheriff, the administrative officer most concerned with the operation of these provisions. It is clear that the plaintiff did not intend to attach the securities in question; that the bank did not understand them to have been attached; and that the Sheriff's Office does not construe the action taken as subjecting the securities to the attachment.

Even if it should be held that the securities in question were, in the literal construction of the New York Statute, subject to the attachment, it cannot be asserted against the practical construction put upon the statute and the proceedings in this case by the Sheriff that the securities at the time of the vesting were, or are now, in the custody and

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possession of the Sheriff and in process of administration by him.

I conclude, therefore, that the determination of jurisdiction under Section 2(f) of Executive Order No. 9095, as amended, was erroneous, and that, since the property involved is securities which have not been determined to be necessary for the maintenance or safeguarding of other property subject to vesting, jurisdiction is lacking under the provisions of Section 2(c) of the Executive Order, as well.

In view of these facts there appears to be no obstacle to a return of the property to the Chase National Bank. The further question whether the Bank should be permitted to transfer the securities to Mr. Sobernheim is one most properly determined by the Treasury which has already granted licenses for such transfers. ^{10/} The Custodian has made no finding adverse to Mr. Sobernheim's claim of non-enemy status.

Mr. Sobernheim states that he was a German subject but has not been in Germany at any time since 1933. He asserts that he has renounced German citizenship and has become a Spanish citizen and is a national of Spain and of France, where he has resided. He has resided in the United States since 1941. No reason appears to question the

^{10/} Photostatic copies of Treasury Licenses Nos. NY-344829-S and NY-436728-S, and extensions thereof to February 28, 1943, have been furnished by claimant's attorneys. The Secretary has also obtained confirmation of this information from the Treasury Department.

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truth of these statements. I forward for your consideration, however, a copy of a letter received from John Edgar Hoover, Director of the Federal Bureau of Investigation. The facts set forth in this letter do not seem to me to have any bearing upon the retention of property which upon the present record is outside the Custodian's jurisdiction.

This memorandum relates to the legal principles involved. If a return is directed, it will be necessary to provide suitable instruments to effectuate the determination in such a manner as to afford appropriate protection for the Custodian.



A. Matt. Werner
General Counsel

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EXHIBIT "A"

\$5,000	Argentine Republic Co. Ext.
8,000	Cities Service Co. Deb. 85
9,000	Cities Service Co. Deb. 84
50 Shares	Allied Stores Corp. Pfd.
200 "	American Power & Light Co. Cu. Pfd.
200 "	American Superpower Corp. Pfd. Cu.
200 "	American Tel. and Tel Co. Cap. Par. \$100
120 "	Chesapeake Corporation Common
200 "	Chesapeake & Ohio Ry. Co. Common Par. \$25
150 "	Commercial Credit Co. Common Par \$10
300 "	Consolidated Edison Co. N. Y. Common
200 "	Continental Oil Co. Capital Par \$5
300 "	Deere & Company Common
200 "	General Electric Co. Common
150 "	Great Northern Rwy. Co. Cu. Pfd.
100 "	Intl. Nickel Co. Can. Ltd.
100 "	Kennecott Copper Corp. Cap.
200 "	Pacific Gas & Electric Co. Common Par \$25
100 "	United Corp. Pref. Cu.
100 "	Wilson & Co. Inc. Cu. Pfd.
\$10,000.00	Associated Gas & Electric Corp. Deb. 3-3/4% 1978
10,000.00	Cities Service Convertible Deb. 5% 1950
10,000.00	Hudson & Manhattan R.R. Co. 1st. Ref. 4% 1960
10,000.00	Third Avenue Ry. 1st Ref. 4% 1960
100 Shares	American Radiator and Standard Sanitary, Common
200 "	General Motors Corp., Common
100 "	H. L. Green Co., Common
200 "	North American Rayon, B. Common
100 "	Penn. R.R. Corp., Common
100 "	Union Pacific R.R. Co., Common
300 "	Transue and Williams Steel Forging Co., Common

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EXHIBIT "B"

\$10,000.00	Associated Gas & Electric Corp. Deb. 3 3/4% 1978
10,000.00	Cities Service Convertible Deb. 5% 1950
10,000.00	Hudson & Manhattan R.R. Co. 1st. Ref. 4% 1960
10,000.00	Third Avenue Ry. 1st Ref. 4% 1960
100 Shares	American Radiator and Standard Sanitary, Common
200 "	General Motors Corp., Common
100 "	H. L. Green Co., Common
200 "	North American Rayon, B. Common
100 "	Penn. R.R. Corp., Common
50 "	Union Pacific R.R. Co., Common
300 "	Transue and Williams Steel Forging Co., Common

DECLASSIFIED

Authority MND 775119By AV NARA Date 8-5-99

RG

Entry

Box

260REPORT13NOT RECORDED & POSTED TO FILE

24 March 1949

A SHORT HISTORY OF EXTERNAL RESTITUTION (NON-CULTURAL)

1. Early History

The first Allied pronouncement of the principle of "Restitution" was made in London on 5 January 1943 when delegates from 18 governments, including the United States, United Kingdom, U.S.S.R., and the French National Committee, issued a declaration announcing that they

"reserve all their rights to declare invalid any transfers of, or dealings with, property rights and interests...situated in the territories which have come under the occupation or control...of the governments with which they are at war.... This warning applies whether such transfers or dealings have taken the form of open looting or plunder, or are transactions apparently legal in form, even when they purport to be voluntarily effected."

The mechanism of restitution was set in motion for the U.S. forces of occupation in Germany by Directive No. 1057 dated 10 May 1945 from the Joint Chiefs of Staff, which provided

"You will carry out in your Zone such programs of reparations and restitution as are embodied in Allied agreements and you will seek agreement in the Control Council on any policies and measures which it may be necessary to apply throughout Germany to ensure the execution of such programs."

On 24 September 1945 a further directive was issued setting forth an interim restitution policy for the U.S. Zone to the effect that restitution be made of certain categories of property, wherever found in the U.S. Zone, if identifiable as having been removed from formerly German-occupied territory. In implementation of this interim policy, the governments of France, Belgium, U.S.S.R., Luxembourg, the Netherlands, Norway, Poland, Denmark, Czechoslovakia, Greece, and Yugoslavia were invited in October 1945 to prepare consolidated lists of removed property, to submit claims and to send a small mission into the Zone for the purpose of acting in the name of their governments in presenting claims, identifying property located, and receiving such property when delivered.

2. Allied Control Authority

Late in 1945, the Directorate of Reparations, Deliveries and Restitution discussed and elaborated a quadripartite definition of restitution which was adopted by the Control Council on 21 January 1946 and was followed shortly thereafter by an official quadripartite interpretation (CONL/P(46)3 Revise and CORC/P(46)143). Also a uniform procedure for the filing, processing and handling of claims was agreed upon. Although application and interpretation of these basic documents varied in the four Zones

DECLASSIFIED

Authority NND 775119
By AW NARA Date 8-5-99RG 260
Entry PROPERTY
Box 13*REPARATIONS & RESTITUTION BRANCH*

of occupation and, as far as the U.S. Zone is concerned, were modified and amended by later Washington directives, these pronouncements by the Allied Control Authority continued to form the primary basis of all restitution activities.

3. Additional Nations Eligible for Restitution

Quadripartite agreement as reached in GORC/P(46)143 provided that

"No nation shall be eligible for restitution unless its territory was occupied in the whole or in part by the German armed forces or the forces of their allies and unless it is a united nation, or shall have been specified by the Allied Control Council."

In order to allow restitution to Austria and ex-enemy nations which in the last stages of the war, after they concluded armistices with the Allied powers, had been subject to German spoliation, the U.S. delegate introduced in GORC on 26 June 1946 a paper proposing restricted restitution from Germany to Austria, Finland, Hungary, Italy and Roumania. No agreement was ever reached on this paper, and restitution to these nations was started and proceeded on a unilateral basis in the U.S. Zone pursuant to instructions received from Washington in March 1946. In the case of Hungary, Italy, and Roumania these instructions were eventually supplemented by the restitution provisions contained in the Peace Treaties with these nations which were signed on 10 February 1947 in Paris and went into effect in September 1947. Finland, apparently deciding that there was no restitutable Finnish property in Germany, never participated in the restitution program.

4. Organization

The original European Advisory Committee's agreement regarding an Allied government for Germany provided for a division to handle Reparations, Deliveries and Restitution. This plan was confirmed in principle by the Potsdam Agreement. Each of the four Control Council groups provided a division or department for Reparations, Deliveries and Restitution as one of the proposed directorates under the Council. Shortly thereafter, certain reallocations of responsibilities were made in the U.S. Zone under which the restitution functions were transferred to the Restitution Branch of the Economics Division, which branch also supplied the U.S. delegate to the Reparations, Deliveries and Restitution Directorate. On 1 March 1948, the Restitution Branch was transferred to the newly established Property Division, and in June 1948 it was combined with the Reparations Branch of the Property Division to be known thereafter as "Reparations and Restitution Branch."

While the Restitution Branch had at all times been maintained in Berlin on a policy level with only a small staff, its non-cultural operational functions were concentrated in the Restitution Control Branch which was located first in Hoechst with OMOUS (Rear) and after 1 July 1947 in Karlsruhe. Restitution Control Branch

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Restitution Branch

handled and processed all claims, and all foreign restitution missions were attached to its headquarters. Matters of policy and cases involving disputed or complicated problems were referred to Restitution Branch in Berlin. Restitution Control Branch in turn operated in the field of investigations and shipments through the Restitution Branches of the Offices of Military Government in the laender.

On 23 April 1948, the then Restitution Branch, OMGUS, Berlin, was transferred to Karlsruhe in line with the U.S. policy of removing from Berlin all agencies which at that time were less concerned with policy than with liquidating their programs along operational lines. With the merger of the formerly independent Restitution and Reparations Branches, the Berlin contact in what remained of policy matters reverted back to the Chief, Reparations and Restitution Branch, in Berlin.

5. Foreign Restitution Missions

Of the eleven Allied nations which were invited in October 1945 to participate in restitution, Belgium, Czechoslovakia, France, Norway, the Netherlands, Poland, and Yugoslavia maintained missions accredited to the Restitution Control Branch for the entire duration of the restitution program. Denmark sent a mission in July 1948. Greece and Luxembourg did not have separate restitution missions in the Zone but handled restitution matters through their consuls in Frankfurt. The Soviet Union accepted in 1946 the invitation to send a restitution mission but changed its personnel often, and there were frequent intervals at which no Soviet restitution personnel were actually in the Zone. Of the ex-enemy nations, Italy and Roumania maintained accredited restitution missions since invited to do so in 1946. The Hungarian Mission was ordered to leave the U.S. Zone early in April 1948 in consequence of provocative conduct on the part of the Hungarian Repatriation Mission. Austria, not considered an ex-enemy nation but neither an Allied nation, was represented by a mission from December 1946 on. At the height of restitution activities in the summer of 1948, the total number of accredited mission personnel amounted to 102.

6. Definition of the Term "Restitution"

As adopted by the Control Council, the definition of the term "Restitution" provided as follows:

"The question of restitution of property removed by the Germans from Allied countries must be examined, in all cases, in light of the Declaration of January 5th, 1943.

"Restitution will be limited, in the first instance, to identifiable goods which existed at the time of occupation of the country concerned and which have been taken by the enemy by force from the territory of the country.

"Also falling under measures of restitution are identifiable goods produced during the period of occupation and which have been obtained by force.

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All other property removed by the enemy is eligible for restitution to the extent consistent with reparations. However, the United Nations retain the right to receive from Germany compensation for this other property removed as reparations." (See Appendix "A" to CONL/P(46)3 Revise.)

Paragraph 2 of the above definition was further interpreted by Appendix B to CORO/P(46)143. This interpretation provided that in case of removal by force the right to recovery is an absolute one. "All other property removed by the enemy" was to include all property which was removed in any other way, which implied that restitution of property may be claimed whatever may have been the means or the reasons of dispossession. However, property removed in such manner should not entail an "absolute right" to restitution which may be granted only within the limits consistent with reparations.

7. German Minimum Economy

It is not surprising that the generality of the above definition and its official interpretation led not only to differences in implementation in the four Zones of occupation but also to pronounced disagreements with the claimant nations. For two years, the most seriously disputed question was the provision that property not removed by force should be eligible for restitution only "to the extent consistent with reparations."

In a memorandum of 19 June 1946, the Deputy Military Governor had laid down the following rule:

"1. The definition of property subject to restitution authorizes restitution of identifiable goods taken by force and specifically provides also that all other property removed by the enemy is eligible for restitution to the extent consistent with reparations. The basic principle underlying reparations is that property not needed for the minimum German economy will be removed as reparations.

"2. Accordingly restitution will not be made of articles removed otherwise than by force where such articles are necessary for the minimum German economy. To the extent consistent with the latter, compensation in kind is permissible."

In implementation thereof, a procedure was worked out under which, if certified by the competent division or branch of OMGUS to be essential to the German minimum economy, restitution of capital equipment would be indefinitely suspended, whereas raw materials and consumers' goods would be released to the German economy. It became the tendency of the certifying OMGUS agencies to interpret very broadly this directive and to certify essentiality even in cases of minor or local importance only. The claimant nations on the other hand objected vigorously to the principle of the German minimum economy which they considered neither within the letter nor the spirit of

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the London declaration and the decisions of the Allied Control Authority. In any case, the extensive application of the directive considerably slowed down the restitution program.

Eventually in June 1948, pursuant to a Washington directive, the German minimum economy provision, although maintained in the form of a guiding overall policy, was replaced by the concept of what became known as the "Normal Commercial Transaction," which was to the effect that property removed in the course of a transaction essentially commercial in character was not to be considered subject to restitution. What constituted a transaction essentially commercial in character was further elaborated and developed by Restitution Branch, Karlsruhe, on an individual-case basis from which certain general principles were eventually evolved.

8. Compensation

In order to overcome, to a certain extent, the hampering effects of the German minimum economy doctrine, a procedure was devised in February 1948 under which the German holder could offer the claimant nation other property to be shipped in lieu of the property determined to be restitutable but claimed to be essential to the German economy. Agreements between the German holder and the foreign restitution mission concerning such replacement or compensation were subject to the approval of the German Economics Ministry and the OMG of the Land concerned.

Even after the normal commercial transaction doctrine replaced the German minimum economy policy, such compensation agreements proved useful and of importance to soften in critical cases the impact on and possible disruption of key industrial plants especially when engaged in the export program. By and large, the compensation idea may be called one of the most constructive by-products of the restitution program.

9. Rolling Stock and IWT Craft

A special problem was presented by rolling stock and inland waterway transport craft which were being claimed for restitution. On the one hand, Military Government needed every last box car and barge or tug boat to get the German economy started again, to provide for the needs of the occupation army and the German population, and to ship Ruhr coal on which the other western Europe countries depended. On the other hand, the picture was in this instance not entirely one-sided since transport facilities, by their nature, are destined to travel across borders and much German rolling stock and IWT craft had remained in formerly occupied countries. Inspired by these considerations the Deputy Military Governor directed on 6 November 1946 that restitution should not be made of inland waterway transport equipment except to the extent that there was a net balance in the U.S. Zone of foreign tonnage in favor of the claimant nation concerned in excess of the amount of German tonnage held in the claimant country. It was further provided that in addition to such net tonnage, foreign craft

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held in the U.S. Zone might be exchanged on an appropriate tonnage basis for German craft held in the country concerned, which became known as the One-for-One Exchange Rule. The same principle was decreed for rolling stock.

An exception was made in the case of foreign IWT craft of the Danube which Washington directed in November 1946 to be restituted without restrictions in consideration of the fact that these craft had not come to Germany in the normal flow of transportation but had been removed by the Germans from southeastern Europe upon the retreat of their armies. Restitution of these craft included some 200 Hungarian, 160 Yugoslav, 30 Czechoslovakian, 10 Greek, and 20 Roumanian vessels.

10. Restitution from Reparations Plants

Since the definition of restitution is all-inclusive regardless of where the property claimed is located, it followed that property is subject to restitution even if located in reparations plants provided it can be identified as having been removed from formerly German-occupied territory. Moreover, where such removal had taken place by force, the right to restitution is an absolute one and consequently superior to any reparations claims (see paragraph 6 above).

A difficulty arose in cases where the restitution claimant could not prove removal by force, which difficulty DRDR/P(46)55 tried to resolve. It provided that, where an agreement could not be reached between the restitution claimant and the reparations recipient, a working group appointed by the RDR Directorate should decide whether or not the property in question was indispensable for the operation of the plant. If found dispensable the property would go to the restitution claimant, but if found indispensable, either the Zone Commander should provide adequate compensation or, failing to do so, the RDR Directorate would render a decision.

In practice, this procedure proved unworkable since the reparations recipient, with whom to negotiate, was not known until final allocation, or sub-allocation by IARA, and in the interest of the reparations program it had to be decided that reparations shipments should proceed irrespective of pending restitution claims. When quadripartite cooperation in Berlin came to a halt in April 1948, even the quadripartite machinery for deciding disputes under DRDR/P(46)55 ceased to exist. For all practical purposes, therefore, restitution of property located in reparations plants remained limited to such items as could be shown to have been removed by force.

11. Declarations Program

Shortly after the inception of the restitution program, it became the established policy of the U.S. Military Government not to allow independent searches and investigations by the foreign restitution missions but to conduct such activities, on the basis of information supplied by the missions,

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with American personnel assisted, where necessary, by German investigators under U.S. supervision, or to arrange specific field trips for so-called Inter-Allied teams under the supervision of an American restitution officer.

In line with this policy, the Ministers President of the Laender were ordered in April 1946 to promulgate a German law requiring all persons to declare any property in their possession which was removed from formerly German-occupied territory as well as any other such property in the hands of third persons of which they had any knowledge. Slightly in excess of 25,000 such declarations were filed and placed at the disposal of the missions for scrutiny and as a possible basis for claims. Claims actually based on declarations amounted to about 4,000.

The declarations program cannot be called a real success. It is obvious that, considering that the U.S. Zone has a population of some 18,000,000, only a fraction of the persons obligated to file a declaration did so. It was a recurrent experience that property was found which had not been declared. Attempts to enforce the penal provisions of the Declarations Law proved in most instances unsuccessful for lack of U.S. prosecution personnel as well as because of the fact that the Declarations Law was a German law and German courts therefore had jurisdiction.

12. Restitution to Eastern Nations

Political developments behind the Iron Curtain led in the fall of 1947 to a reconsideration of the policy of restitution to the Soviet Union and countries in the Soviet orbit. Transportation difficulties helped to explain a temporary stop of all shipments to the East in November 1947 while policy changes were under consideration in Washington. Eventually in May 1948, Washington laid down certain general policies to be applied in resuming restitution shipments to the East. Under such policies restitution was not resumed in the case of special-purpose machinery and certain types of products which could possibly be used in and for the war economy of the recipient eastern country. Furthermore, precedence was accorded independent claims by non-nationals and refugee nationals of any claimant eastern nation. This constituted a fundamental departure from the earlier practice that claims could only be submitted by governments.

Concerning Soviet claims for property removed from the territory of the formerly sovereign states of Latvia, Lithuania and Estonia, the Soviet Military Administration in Karlsruhe had been advised as far back as March 1947 that the U.S. do not recognize the incorporation of these countries into the Soviet Union and that, although Soviet claims would be accepted for such property, the U.S. Government reserved its decision as to the ultimate disposition thereof. In the meantime, the few claims falling into this category have been dropped by Restitution Branch.

Differential treatment was given western and eastern nations with respect to material captured by U.S. forces from the German army. Under international law, title to such captured enemy material had passed to the U.S. Gov-

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ernment, and the attitude was taken that any restitution was an act of grace in the discretion of the U.S. Government and not a right on the part of the nation claiming restitution. As a matter of general policy, Military Government waived such title in favor of western nations and proceeded with restitution to them while asserting U.S. title and refusing restitution to eastern nations. In the case of French motor vehicles an exception was made in that, if such vehicles had subsequently been sold to Germans by Military Government, the title of the purchaser would not be disturbed.

13. Restitution to Hungary

Restitution to Hungary deserves special mention. As long as there seemed a possibility to "keep Hungary's window to the West open," Hungary was given a somewhat preferential treatment in the field of restitution. The figure of RM 126,000,000 (1938 value) at which total restitutions to Hungary are evaluated is indicative of this early policy. The major part of such restitutions consists of Hungarian gold in the amount of some \$35,000,000 which technically did not involve restitution since the gold had been evacuated by the Hungarians to Austria and later removed to Germany by the U.S. forces but which nevertheless was incorporated in restitution as a convenient vehicle for its return.

Restitution to Hungary came to a standstill in April 1948 when the Hungarian Restitution Mission was ordered out of the U.S. Zone. Since then only Hungarian Hospital equipment has been returned to Hungary. This was not considered restitution in the strict sense of the word but was done in compliance with the terms of the Geneva Convention. There still remains in the U.S. Zone restitutable Hungarian property of an estimated value of 12,000,000 RM, disposition of which is awaiting decision on higher level.

14. Termination Dates for the Filing of Claims

As early as 27 August 1946, the U.S. Delegate introduced at the 42nd meeting of the RDR Directorate a paper proposing cut-off dates for the filing and processing of restitution claims (see DRDR/P(46)101). No agreement could be reached and eventually, at the 140th meeting of the CORC on 16 October 1947, the U.S. Delegate made the following announcement on behalf of his government:

"The U.S. Delegation has previously cited the fact that the processing of claims for restitution constituted a very heavy demand upon the U.S. staff, and that the U.S. Delegation cannot agree to maintain such a considerable staff for an indeterminate period.

"In our opinion the establishment of a termination date for the filing of restitution claims is most reasonable, as claimant nations, by 30 April 1948, will have had three years from the cessation of hostilities in which to file their claims. In ad-

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dition, the establishment of a termination date at this time does not give Germany favored treatment, in view of the fact that treaties with Italy, Roumania, Bulgaria and Hungary provide that all claims for restitution from those nations are to be presented in a six-month period, commencing with the effective date of their respective peace treaties.

"The U.S. Delegation, therefore, wishes to announce that the 30th of April 1948 is the termination date for the filing of restitution claims in the U.S. Zone. I wish to stress, however, that this termination date will neither affect the processing of claims already submitted nor the carrying out of searches for looted property.

"Finally, I wish to indicate that the U.S. Zone Commanders will consider such meritorious individual restitution claims as may arise after the date of 30 April 1948."

15. Termination of the Restitution Program

Pursuant to Washington draft directive of May 1948 stating as its policy the bringing of the entire restitution program to a conclusion as soon as feasible, preparations were made and the necessary steps were taken in the latter part of June 1948 to terminate the processing of claims by 31 December 1948, and on 11 August 1948 an official announcement was made to the chiefs of the foreign Restitution Missions in Karlsruhe that it was intended to complete, with the possible exception of a small number of meritorious claims, both investigations and shipments of restitutable items by 31 December 1948.

Out of a total of 20,598 claims received (each claim comprising from one to as many as thousands of different items) 9,876 claims had been disposed of, either by restitution or rejection, as of 15 June 1948, i.e., during a period of approximately 2½ years. This left a work-load of 10,722 claims not only to be processed but also, as far as found restitutable, to be shipped within a period of six months.

In order to accomplish this task, seven new operation officers were added to the professional staff in Karlsruhe which had been badly depleted by the resignation of five civilians and the recall of three Air Force officers out of a total of 14 professionals, and additional personnel and facilities were placed at the disposal of the Restitution Branches in the Laender.

Between 15 and 30 June 1948 all claims for securities were taken out of the Karlsruhe office to be handled by Reparations and Restitution Branch, OMGUS, Berlin. Claims for rolling stock and IWT craft were transferred to Transport Group, Office of the Economics Advisor, OMGUS, Berlin. All remaining claims were screened for small-value items and such claims were dropped and the foreign restitution

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REPORTS + RESTITUTION CLAIMS

missions were informed that these claims would not be processed (individual radios, cannibalized automobiles, pieces of furniture and clothing, etc.). By 30 June 1948, the total outstanding claims were thus reduced by 1885, including 194 claims which were dropped during that period for non-location and 60 claims which were satisfied. By 31 December 1948, the target date, all claims outstanding on or after 1 July 1948 (8837) had been disposed of except for 140 French claims for motor vehicles, one Czech and one Soviet claim, decision on which was pending in Washington and Berlin respectively, and 50 Hungarian claims.

Shipments not completed as of 31 December 1948 involved French, Czechoslovak and Italian property. By 15 March 1949 only 106 French motor vehicles remained to be shipped.

The attached "Progress Reports of Restitution Claims" as of 30 June 1948, 31 December 1948 and 28 February 1949 are the only type of statistical reports available as of this date. As far as values are concerned, these reports are necessarily incomplete and not 100% reliable, since they are based on estimates. The valuations used hereunder are taken from these reports and will be subject to correction if and when adjusted figures become available.

16. Property Restituted

Non-cultural property claimed and restituted included a wide range of articles such as industrial machines, motors and equipment of any description, motor vehicles, motorcycles, trucks and trailers, streetcars, ferrous and non-ferrous metals, precious and semi-precious metals and stones, rolling stock and IWT craft, textiles, clothing and furs, turpentine, oils and resin, wines and spirits, jewelry and personal effects, pharmaceutical and medical supplies, radium, horses and cattle, furniture and household effects.

The following is a summary by nations of values and main categories restituted:

<u>Country</u>	<u>Main Categories of Property Restituted</u>	<u>RM Value (1938)</u>
Austria	industrial equipment, oils and resin, motor vehicles	4,164,222
Belgium	radium, industrial equipment, barges, industrial diamonds, non-ferrous metals	11,258,789
Czechoslovakia	industrial equipment, personal effects and jewelry, motor vehicles	23,329,957
Denmark	industrial equipment	593,801
France	industrial equipment, horses, motor vehicles, wines, personal effects and furniture	57,755,681
Greece	miscellaneous	

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<u>Country</u>	<u>Main Categories of Property Restituted</u>	<u>RM Value (1938)</u>
Hungary	gold, silver, horses, bridge building equipment, hospital equipment, machinery, motor vehicles	126,081,613
Italy	industrial equipment, non-ferrous metals, streetcars, silver	10,709,538
Luxembourg	industrial equipment, personal effects	373,475
Netherlands	diamonds, barges, industrial equipment	42,440,817
Norway	furs, non-ferrous metals, industrial equipment	1,579,700
Poland	industrial equipment, horses	10,882,012
Roumania	barges, motor vehicles	1,055,257
U.S.S.R.	agricultural equipment, vehicles, scrap	292,730
Yugoslavia	non-ferrous metals, barges, industrial equipment	15,442,422

17. Restitution Dates

Restitution applied to property which was removed by the Germans from territories which they had occupied. No quadripartite decision was ever made as of which date the various countries were to be considered occupied. In agreement with the Office of the Director of Political Affairs, the following dates were established as applicable in the case of United Nations:

Belgium	10 May 1940
Czechoslovakia	
Sudetenland	1 October 1938
remainder	15 March 1939
Denmark	9 April 1940
France	17 May 1940
Greece	28 October 1940
Luxembourg	10 May 1940
Netherlands	10 May 1940
Norway	9 April 1940
Poland	1 September 1939
U.S.S.R.	22 June 1941
Yugoslavia	6 April 1941

For Austria, Washington directive fixed 12 March 1938 as the date of occupation.

The Peace Treaties with ex-enemy nations provided the following occupation dates with respect to restitution:

Hungary	20 January 1945
Italy	3 September 1943
Roumania	12 September 1944

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 Deputy Chief for
 Industrial Restitution

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REPORTS & DOCUMENTS

(A)

COPY

Return of Currency to Country of Issue

<u>Country of Issue</u>	<u>Shipping Ticket No.</u>	<u>Foreign Currency Total</u>	<u>FED estimated or nominal valuation</u>
USSR (Claim #899-R)	12	813 sealed bags Russian Rubles (Total rubles unknown)	\$ 1.00
England	13	2 boxes Pound Sterling (believed counterfeit)	\$ 1.00
England	210	L 325,355-4-4	\$ 1,301,400.00
France	136	Fros. 2,711,461,250.00 (none legal tender)	\$ 1.00
France	137	Fros. 7,577,045.00	\$ 25,004.25
France	138	Fros. 87,328.20	\$ 288.18
Denmark	164	Dkr. 1,373,333.10) Skilling 236.00)	\$ 274,000.00
Luxembourg	166	Fros. 980.57½	\$ 20.00
The Netherlands	167	Guilders 2,705,975.24½	\$ 1,086,000.00
Czechoslovakia	170	Korun 271,712.61	\$ 2,700.00
Greece	175	Drachmas 5,753,347,369.56	\$ 1.00
Norway	176	Kroner 9,668,470.89	\$ 1,935,000.00
Belgium	177	Fros. 48,477,575.18	\$ 1.100.000.00
Italy	178	Lire 50,273,811.25) Drachmas 12,125.00)	\$ 120,000.00
Poland	183	Zloty 64,997,094.50) Mark 31,113.50)	\$ 1,000.00
Yugoslavia	184	Dinars 6,230,784.25	\$ 1.00
South Africa	185	L 2,896,15.8½	\$ 11,600.00
India	189	Rupees 30.00) Annas 5.3)	\$ 10.00

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cont'd:

<u>Country of issue</u>	<u>Shipping Ticket No.</u>	<u>Foreign Currency Total</u>	<u>FED estimated or nominal valuation</u>
U.S.A.	195	\$ 3,861,305.88	\$ 3,861,305.88
U.S.A.	163	\$ 125.00	\$ 125.00
Canada	196	Can.\$ 9,081.59	\$ 8,750.00
Australia	209	L 8.10.11	\$ 34.00
New Zealand	280	L -.10.1	\$ 2.00

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MEMORANDUMS & RESTITUTION

(B)

Belgium

<u>Claimant Nation</u>	<u>Shipping Ticket No.</u>	<u>Claim #</u>	<u>Type of Property</u>	<u>Total Value</u>
Belgium	55	19706-B	42 sealed envelopes from Dachau concentration camp	\$ 1.00
Belgium	139	20254-B	Paybooks, bankbooks, securities, jewelry, and misc. items	\$ 1.00
Belgium	219	20599-B	Securities	\$ 1,277.00

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England

<u>Claimant Nation</u>	<u>Shipping Ticket No.</u>	<u>Claim #</u>	<u>Type of property</u>	<u>Total Value</u>
England	173	none	British PW Effects	\$ 1.00

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France

<u>Claimant Nation</u>	<u>Shipping Ticket No.</u>	<u>Claim #</u>	<u>Type of Property</u>	<u>Total Value</u>
France	19	none	Gold, for account of a) Belgium: 2,585,067,929,00 b) Luxembourg: 50,787,576,00	\$ 85,239,953,00
France	57	19681-F	515 sealed envelopes from Dachau concentration camp	\$ 1.00
France	58	none	1 Marriage contract	\$ 1.00
France	140	20850-F	Money orders, securities, jewelry, bankbooks, etc. (Fras. 48,534.00)	\$ 1.00
France	156	10481-F	Securities (all Concordia shares)	\$ 6,916,504,00
France	157	10481-F	Securities (Concordia coupons only)	\$ 100,000.00
France	159	none	Pierre Laval Currency	\$ 12,647.00
France	160	10481-F	Securities (all Columbia shares)	\$ 2,000,000,00
France	161	10481-F	Securities (Columbia coupons only)	\$ 25,000.00
France	217	20600-F	Jewelry, Currency, checks, gold etc.	\$ 127,225.00
France	218	20601-F	Securities	\$ 5,528,030.00

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Italy

<u>Claimant Nation</u>	<u>Shipping Ticket No.</u>	<u>Claim #</u>	<u>Type of Property</u>	<u>Total Value</u>
Italy	60	19678-I	100 sealed envelopes \$ from Dachau concentra- tion camp	1.00
Italy	61	19679-I	Documents and checks \$ (face value 6,050 Lire)	1.00
Italy	81	15461-I 17751-I	Platinum \$	120,000.00
Italy	141	20253-I	Postal orders, checks, \$ stamps, and misc. items (approx. Lire 45,000.00)	1.00
Italy	215	none	Stamps \$	5.00

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NO PARAGRAPHS & RESTITUTION

Luxembourg

<u>Claimant Nation</u>	<u>Shipping Ticket No.</u>	<u>Claim #</u>	<u>Type of Property</u>	<u>Total Value</u>
Luxembourg	68	19685-L	54 sealed envelopes from Dachau concentration camp	\$ 1.00

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100% PROPERTY RESTITUTION

The Netherlands

<u>Claimant Nation</u>	<u>Shipping Ticket No.</u>	<u>Claim #</u>	<u>Type of Property</u>	<u>Total Value</u>
The Netherlands	14	4431-H(1)	Jewelry	\$ 2,245,422.00
The Netherlands	18	4431-H(2)	Jewelry	\$ 774,557.00
The Netherlands	20	none	Gold ounces 944,704,9183	\$ 33,064,672.00
The Netherlands	63	19703-H	55 sealed envelop. from Dachau concen- tration camp	\$ 1.00
The Netherlands	64	19704-H	3 Bank books	\$ 1.00
The Netherlands	142	20472-H	Paybooks etc.	\$ 1.00

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REPARATIONS & RESTITUTION

NORWAY

<u>Claimant Nation</u>	<u>Shipping Ticket No.</u>	<u>Claim #</u>	<u>Type of Property</u>	<u>Total Value</u>
Norway	65	19750-1	55 sealed envelopes from Dachau concentration camp	\$ 1.00

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Entry Restitution
Box 12*RESTITUTIONS & RESTITUTION*RESTITUTION BRANCH HISTORY

period beginning 8 May 1945 to 30 June 1946

DATES OF IMPORTANCE IN
HISTORY OF RESTITUTION BRANCH

5 January 1943	Inter-Allied Declaration Against Acts of Dispossession Committed in Territories under Enemy Occupation or Control, issued by Delegates from 18 Government in London
September 1944	Law 52 promulgated by SHAEF
22 November 1944	Issuance of Draft Directive No. 2 on Control of Works of Art and Monuments and Treatment of Archives
7 April 1945	Basic Preliminary Plan of Allied Control and Occupation of Germany, Annex XXI (RD&D), issued by US Sp. CC.
10 May 1945	Directive No. 1067, issued by Joint Chiefs of Staff
June 1945	Establishment of Munich Central Collecting Point at Munich, Bavaria
June 1945	Establishment of Marburg Collecting Point at Marburg, Greater Hesse
6 July 1945	Ambassador Pauley circulated definition of "Restitution" to the Allied Commission on Reparations in Moscow
August 1945	Establishment of Wiesbaden Collecting Point at Wiesbaden, Greater Hesse
22 August 1945	First restitution from U.S. Zone - Return of Ghent Altarpiece to Brussels, Belgium
September 1945	Restitution of the Strasbourg Cathedral Stained Glass Windows
24 September 1945	Directive issued establishing Interim Restitution for U.S. Zone
28 September 1945	Opening of Oberammergau Collecting Depot for Archives in Bavaria
October 1945	Interim Restitution Policy put into effect in U. S. Zone
12 December 1945	Coordinating Committee approved uniform procedures for restitution of cultural objects looted by Germans

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REPARATIONS & RESTITUTION

- December 1945** Paris Conference on Reparations
- 21 January 1946** Adoption by Allied Control Council of "Definition of Restitution"
- 1 March 1946** Activation of Offenbach Archival Depot at Offenbach, Greater Hesse
- 7 March 1946** Cable, regarding Restitution to Ex-enemies received from Joint Chiefs of Staff
- 23 March 1946** Official interpretation of definition of "Restitution"
- 17 April 1946** Quadripartite Procedures for Restitution approved and passed by Coordinating Committee
- 20 April 1946** Publication, by the Ministerpräsidenten of the Länder, of a German Law requiring all Germans to declare all property in their possession that might be subject to restitution.
- 26 June 1946** U.S. Member submitted to the Coordinating Committee a paper proposing restricted restitution out of Germany to five additional nations formerly allied with Germany: Austria, Finland, Hungary, Italy and Rumania.

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*NOT PARTS OF RESTITUTION***GERMANY'S LOOT BEING RESTORED TO OWNERS**

In the sixty-eight long months between September 1939 and May 1945, when the Wehrmacht reared from Dunkirk to Stalingrad and from Spitzbergen to Athens, the wealth of a continent was in the grasp of conquerors who coveted much and scrupled little. They came, they saw, they plundered; raw materials and industrial machinery for German factories, locomotives and streetcars for German transport, furniture and paintings for German museums and German households. They did not consider sea-going barges too large, nor vials of radium too small, to deserve their attention. Their purpose was now to fatten Germany, now to bleed a defeated enemy, now simply to feed the lust for loot; their methods varied from crude and careless pillaging by invading troops to obscure and tangled manipulations of bank deposits and national currencies. They took hundreds of items of incalculable artistic and sentimental value as well as thousands of other items the value of which must be estimated in the hundreds of millions of dollars.

Long before the end of hostilities it was acknowledged throughout the Allied world that the return of this property was dictated by considerations of justice, morals, and economics. Representatives of the nations that were then occupied attached great importance to the recovery of this property, holding it indispensable to the revival of their industry, transportation, and national spirit. They urged that property removed from their territory and found in Germany should be returned to them even though the last German possessor might have acquired it by full and fair payment, and the occupying powers agreed on the basis of the historic principle that stolen property is recoverable by the original owner regardless of the circumstances in which the current possessor has obtained it. In London on 5 January 1943 delegates from eighteen governments, including those of the United Kingdom, the Union of Soviet Socialist Republics, the United States, and the French National Committee, issued an "Inter-Allied Declaration against Acts of Dispossession Committed in Territories under Enemy Occupation or Control", in which they announced that they "reserve all

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NOT REPARATIONS & RESTITUTION

their rights to declare invalid any transfers of, or dealings with, property rights and interests...situated in the territories which have come under the occupation or control...of the Governments with which they are at war...This warning applies whether such transfers or dealings have taken the form of open looting or plunder, or of transactions apparently legal in form, even when they purport to be voluntarily effected."

In September, 1944, soon after United States troops had crossed the German border, the Supreme Headquarters Allied Expeditionary Forces (SHAEF) promulgated "Law 52", enabling the Allies to take the action envisaged in the London Declaration. Law 52 made all property in Germany subject to seizure and management by military government. It covered not only property owned or controlled by the German Government but also the property of organizations and clubs dissolved by military government, property of the governments and citizens of any nation at war with the Allies, and property of absentee owners, including the governments and citizens of the United Nations. The law prohibited transactions in cultural materials of value or importance regardless of ownership and in property owned or controlled by religious, eleemosynary, educational, cultural, and scientific institutions. Everyone having custody of property covered by the law was ordered to hold it subject to the direction of military government and to accept certain responsibilities for custody, preservation, and keeping of records.

Law 52 is thus the foundation of "Property Control", which has provided a most important index of property subject to return to its owners in formerly occupied nations.

The mechanism of such return or restoration, which came to be known as "restitution", was set in motion for the United States forces of occupation by a paragraph in Directive # 1867 dated 10 May 1945 from the Joint Chiefs of Staff:

"You will carry out in your zone such programs of reparations and restitution as are embodied in Allied agreements and you will seek agreement in the Control Council on any policies and measures which it may be necessary to apply throughout Germany to ensure the execution of such programs."

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REPARATIONS & RESTITUTION

It was soon after this that the first restitution was made out of the U.S. Zone. On 22 August 1945 the famous altarpiece of the Adoration of the Lamb, by the brothers Van Eyck, was flown by special plane from Eindhoven to Brussels and delivered to representatives of the Belgian Government. This was followed by restitution of small quantities of other artistic and later industrial property on the basis of interim instructions from the War Department under which the Reparations, Deliveries, and Restitution Division (subsequently the Restitution Branch of the Economics Division) operated pending the adoption of a quadripartite definition of restitution.

The conditions of restitution had been first outlined at the quadripartite level in Annex XXI to the Basic Preliminary Plan of Allied Control and Occupation of Germany, completed on 29 May 1945. On 6 July 1945 Ambassador Pauley circulated a definition of restitution to the Allied Commission on Reparations in Moscow, and representatives of the Soviet Union, the United States, and the United Kingdom presented their views on restitution at Potsdam. In the Berlin Protocol, however, no mention is made of restitution.

Late in 1945 the Directorate of Reparations, Deliveries, and Restitution, which had been set up under the Control Council and the Coordinating Committee, discussed and elaborated a quadripartite definition of restitution which was adopted by the Control Council on 21 January 1946 in the following form:

DEFINITION OF THE TERM "RESTITUTION"

1. The question of restitution of property removed by the Germans from Allied countries must be examined, in all cases, in light of the Declaration of January 5th, 1943.
2. Restitution will be limited, in the first instance, to identifiable goods which existed at the time of occupation of the country concerned and which have been taken by the enemy by force from the territory of the country.

Also falling under measures of restitution are identifiable goods produced during the period of occupation and which have been obtained by force.

All other property removed by the enemy is eligible for restitution to the extent consistent with reparations. However, the United Nations retain the right to receive from Germany compensation for this other property removed as reparations. In cases where restitution is impossible, a special instruction will fix the categories of goods which will be subject to replacement, the nature of these

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replacements, and the conditions under which such goods could be replaced by equivalent objects.

4. Relevant transportation expenses within the present German frontier and any repairs necessary for proper transportation including the necessary manpower, material and organization, are to be borne by Germany and are included in restitutions. Expenses outside Germany are borne by the recipient country.

5. The Control Council will deal on all questions of restitution with the Government of the Country from which such objects were looted.

CCRL/P(46)3(Revise)

Article 2 of this definition was later clarified by an official interpretation adopted early in March 1946:

INTERPRETATION OF ARTICLE 2, OF THE DEFINITION OF THE TERM RESTITUTION, CCRL/P(46)3(Revise)

1. In consideration of paragraph 2 of CCRL/P(46)3(Revise), it appears that where an article has been removed by force at any time during the occupation of a country, and is identifiable, the right to its recovery is an absolute one. The word "force" covers duress which may occur with or without violence. In this concept are also included looting, theft, larceny and other forms of dispossession whether they were carried out by an order of the German authorities, or by officials of the German civil or military administration, even when there was no order of the German authorities, or by individuals.

Also included are requisitions carried out as a result of duress, such as requisitions or other orders or regulations of the military or occupation authorities.

2. In the third sub-paragraph of paragraph 2, it appears that by "all other property removed by the enemy" it was desired to include all property which was removed in any other way. This implies that restitution of property may be claimed whatever may have been the means or the reasons of dispossession.

But the property removed in such manner does not entail an "absolute right" to restitution, which may be granted only within the limits consistent with reparations.

3. These "limits consistent with reparations" must be understood in the following manner. If property claimed on account of restitution is indispensable for the operation of a whole factory allocated on account of reparations, this property may be retained and not restituted.

Restitution will be made only if the removal of the equipment does not seriously diminish the production capacity of the plant and does not destroy the completeness of the equipment to such an extent that when this plant is delivered on account of reparations it loses all value owing to the fact that restitution has been made.

If restitution of the object itself is not granted, the right of the claimant nation is satisfied by means of compensation to be taken from German property in objects of equivalent value, as far as possible by equipment, manufactured goods and raw materials.

NOTE: The U.S. and U.K. delegates agree with the above interpretation provided that:-

"Compensation in lieu of restitution must not create additional expenditures by the U.S. and U.K. in support of their respective zones."

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This definition and its interpretation have served as the foundation of United States policy and procedure in restitution ever since their adoption. As specific cases have been presented for decision officials of military government have consistently endeavored to contribute to uniformity of application throughout the four zones by a strict and faithful reading of the distinctions and the limitations implied in the definition.

For example, the list of nations eligible for restitution has been limited, ^{to date,} by all four occupying powers, as follows: "no nation shall be eligible...unless its territory was occupied in whole or in part by the German armed forces or the forces of her allies, and unless it is a United Nation, or shall have been specified by the Allied Control Council." Only eleven nations meet these qualifications: Belgium, Czechoslovakia, Denmark, France, Greece, Luxembourg, the Netherlands, Norway, Poland, the USSR, and Yugoslavia. (The problem of restoring property to victims of Russian now or formerly resident in Germany, sometimes loosely called "internal restitution", lies outside the jurisdiction of the Restitution Branch.)

A second point to be observed in connection with the definition is the absence of any expressed relation between restitution and the minimum level of the German economy. To think of restitution as diminishing the German economy by removing property from an already impoverished country is to make the mistake of supposing that all property located on German territory in May 1945 belonged to the German economy. The Allied Control Authority has taken the position that, as identifiable goods removed to Germany from the territory of an occupied nation were never rightly part of the German economy (unless the Germans had owned them before the war or had given in return goods, services, or currency representing equivalent value), restitution ought not to be limited by considerations of the minimum German economic level. Under the special conditions contemplated in the last sentence of Article 2 of the Definition, these considerations do figure, by virtue of the reservation made by the U.S. Delegate to the Coordinating Committee to the effect that generousness in lieu of restitution must not create additional expenditure by the U.S. in support of its zone.

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Finally, it should be observed that in principle restitution is a "one-way street" -- or, to change the metaphor, that there are no strings attached. The occupying powers will not use restitution from Germany to a claimant nation for purposes of bargaining for "reverse restitution" of German property. To put it in another way, the problem of German external assets is regarded as a separate issue from that of restitution. As we shall see later, military government has, for the sake of the European economy, qualified but not denied this principle in the important case of railroad rolling stock.

Upon the quadripartite adoption of a definition of restitution, United States officials ~~were able to~~ ^{work ed} out a formal procedure for restitution, based on the ^{unilateral} system already in practice in the U.S. Zone under ^{operating} the direction of the Restitution Control Branch at Frankfurt-Hahn. While preparing Title 19, "Restitution", of Military Government Regulations, the U.S. Delegate submitted a paper on restitution procedure to the ECRC Directorate, which, after making some changes, approved it on a quadripartite basis in mid-April.

The adoption of the definition also accelerated the filing and processing of actual claims. In the first months of the occupation claimant nations and individuals had submitted many specific requests: machine tools from the Fabrique Nationale d'Armes, Belgium; streetcars and sporting rifles from the Netherlands; laboratory equipment from the Carolinen University in Czechoslovakia; gunpowder presses from the National Powder Works, France. In October, 1945, the eleven United Nations concerned had been invited to send consolidated lists of property believed to be in the U.S. Zone of Germany, as soon as property belonging to a claimant nation was actually located, that nation was invited to send a mission of four persons to the Zone to identify the property, accept releases, sign receipts, and supervise the delivery. The first mission to arrive was that of the Netherlands, which has been operating assiduously and effectively ever since. They were soon joined by representatives of France and Belgium, and before mid-April 1946 regular missions had arrived from all the eligible nations save Greece and the USSR. In special cases restitution has been made to representatives other than the

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regular restitution missions.

Between July 1945 and mid-April 1946 the eligible nations filed 1089 claims; many a claim, of course, included a large number of different though related items. 137 claims were dropped for reasons of duplication, location of the property outside the U.S. Zone, etc.

403 claims were partially or entirely located. The extensive dispersal of German central records and the disorganization of German communications at the end of the war made location especially difficult. In some cases location was established by U.S. officials acting on information received from the claimant nations; sometimes property was found more or less incidentally by occupying troops; sometimes German civilians voluntarily reported possession of foreign property.

Releases were issued on 403 claims, and 202 were entirely or partially delivered. The Netherlands filed the most claims with 319, or 31 per cent. of the total; France led in the number of deliveries with 60, or 29 per cent. of the total.

The range in the types of property discovered and restored has been wide and interesting. Naturally enough, ^{next to works of art (restored)} the largest single category has been industrial equipment. We have located and returned rubber-manufacturing machines for Belgium, 10,000 hand tools for the Netherlands, drills, lathes, and planers for several other claimants. On 6 March 1946 40 carloads of heavy machinery were moved from Bavaria to the Peugeot Automobile Works in Sochaux, France; on 10 April a Norwegian freighter at Bremen picked up 1,000 tons of transformers, construction parts, motors, and copper and aluminum rails which the Germans had removed from the Nordisk-Lettmetall aluminum and magnesium factory.

Another important class of restitutable property is scientific equipment. This class is represented by laboratory apparatus from Carolinen University and instruments belonging to the Chemical Institute of Prague, Czechoslovakia; the laboratories of the bacteriological, veterinary, chemical, and biological departments of the University of Greece, restored to Poland from Roth in Bavaria; and the large Leyden Magnet, returned to the Netherlands.

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REPARATION & RESTITUTION

In the category of water transport, claims have been received for ships' gear from the Polish port of Gdynia, ships' gear from Norway, inland and sea-going barges and tugs from several nations. Almost all the claimant nations have requested the return of their railroad rolling stock, especially freight cars, which had been moved all around the continent by the Germans and which stuck in Germany when the German system of rail transport collapsed under Allied bombing. Rolling stock is, however, to be distinguished from other restitutable property in two important respects. In the first place, the operating efficiency of rail transportation requires constant movement of cars around Europe without regard for national boundaries or the ownership of the cars. Second, rolling stock is so badly needed in the U.S. Zone of Germany that the removal of foreign rolling stock without an equivalent return of German rolling stock from abroad would either drain the German economy or require greater use of American cars. "Straight" restitution of rolling stock has, therefore, been limited to the return of certain special types of cars not needed in the U.S. Zone and of unserviceable cars which could not be repaired in the Zone within a reasonable period of time. All other movement of rolling stock has conformed to the arrangements of the European Central Inland Transport Organisation (ECITO) and to the policy of the Transportation Corps, which first instituted "car-for-car" exchange and then sought to re-establish a system of rental, which might be called "in-place" restitution.

The U.S. Zone also contained considerable numbers of valuable blooded horses and sheep that belonged to herds and flocks originally moved from the territory of nations eligible for restitution: thoroughbreds from France owned by the Aga Khan, Lord Derby, Baron Edouard Rothschild; Lorraine stallions; Polish racing horses; Ukrainian caracul sheep. Restitution has entailed factual problems of identification and legal problems springing from the fact that many of the animals now alive were born in Germany, often of one German and one foreign parent.

The history of the removal of the French thoroughbreds illustrates one method whereby the Germans sought to cloak their looting operations. They

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paid for the horses at the rate of 3,000 francs for a mare and 30,000 francs for a stallion; the money was, however, paid not to the owners but to the Vichy Government, which then repaid it to Germany as occupation cost.

The list of aids and aids that have turned up in this great Lost-and-Found operation could be extended for pages. Restitution has been made of two carloads of geographical maps issued by the Red Army General Staff; of plans of the disposition of the lands of the collective farmers of the Ukrainian Soviet Socialist Republic; of ten tons of archives representing the entire French documentation of the Maginot Line; of 501 sacks containing Russian rubles; of Polish industrial gold and platinum.

Restitution activity is expected to increase in the coming months. On 20 April 1946 the Ministerpresident of the Länder published a German Law requiring all Germans to declare all property in their possession that might be subject to restitution, and the analysis of these declarations should divulge significant quantities of restitutable items, especially in the domain of consumer's goods. The restitution missions from eastern European nations, which were among the last to arrive, will submit more claims and furnish more information as they become acclimated to the United States procedure. Although restitution alone cannot play the major role in the enormous task of European reconstruction, it is furnishing the United Nations with important and well-appreciated assistance toward economic and cultural recovery.

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RESTITUTION & RESTITUTION

PROBLEMS AND ACCOMPLISHMENTS

With the approval by the Allied Control Council of the definition of the term restitution, the next task confronting the Restitution Branch was that of formulating operational procedures for restitution in the U. S. Zone of Germany.

These procedures, when modified to conform in all respects to the Definition of Restitution, provided the basis for the operational phase of restitution in the Zone. An outline of the procedure, in brief, follows:

- a. Receipt from foreign governments of claims for restitution.
- b. Processing of such claims.
- c. Information to be supplied in declarations by Germans regarding property subject to restitution
- d. Physical removal of identifiable looted property.
- e. Standard methods for execution of standard forms for release of property subject to restitution, receipts for such property, and delimitations of such property by Germans.

Claims originally were received through diplomatic channels. On establishment of a properly accredited restitution mission, however, the claimant nation submitted its claim directly to the Office of Military Government. Materially, this expedited the operation since the volume of property claimed in lists submitted ran into hundreds of thousands of items. Restitution missions were established at Frankfurt by France, the Netherlands, Czechoslovakia, Belgium, and Luxembourg. Four additional nations (Poland, Denmark, Norway, and Yugoslavia) were later invited to send missions to Frankfurt. Greece and Russia, the remaining nations eligible for restitution, were also invited.

Military Government regulations required that all Germans in the U. S. Zone declare all property, which ~~was~~ had been in their possession and which was believed to be subject to restitution, to the Minister President of the appropriate Land. Such declarations were carded, filed and maintained by the office of the Minister President according to a standard commodity classification. These records were available at all times for examination by Military Government Officers or visiting missions. By comparing the declarations so made, the percentage of looted property located increased markedly.

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Standard procedures were established with regard to physical removal of property subject to restitution. Costs up to the frontiers of Germany were/^{to}borne by German authorities and costs beyond those frontiers were/^{to}borne by the claimant nation. With respect to physical removal of identifiable property, definite instructions ~~were~~ issued to the field and were in effect with regard to:

- a. Safeguarding of property subject to restitution
- b. Insurance of such property
- c. Dismantling, crating, and loading of such property
- d. Repairs to such property
- e. Transportation of such property
- f. Freight points and bills of lading.

Procedures were also developed for the U. S. Zone providing that during the processes of inventorying and appraising industrial plants which have been earmarked for reparations, every effort would be made to identify equipment subject to restitution. Property and equipment believed to be subject to restitution was listed separately and was not included in the inventory and appraisal of plants earmarked for reparations. The assistance of visiting restitutions missions was obtained in identifying and establishing ownership of such equipment.

With regards to cultural objects, the Coordinating Committee, on 12 December 1945, approved uniform procedures and notices for the restitution of cultural objects now in Germany but formerly in German occupied countries. The action provided that easily identifiable objects will be returned to the government of the country from which they were removed, that only objects removed by the Germans after occupation will be returned, that occupation forces in Germany will maintain inventory cards of all objects, that claimant countries will submit request cards, that receipts will be executed on deliver, and that a panel will pass judgment on identification and removal claims.

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With the adoption of the definition of restitution, the filing and processing of actual claims was greatly accelerated. In the first months of the occupation claimant nations and individuals had submitted many specific requests: machine tools from the Fabrique Nationale d'Armee, Belgium; streetcars and sporting rifles from the Netherlands; laboratory equipment from the Carolinen University in Czechoslovakia; gunpowder presses from the National Powder Works, France. In October, 1945, the eleven United Nations concerned had been invited to send consolidated lists of property believed to be in the U. S. Zone of Germany; as soon as property belonging to a claimant nation was actually located, that nation was invited to send a mission of four persons to the Zone to identify the property, accept releases, sign receipts, and supervise the delivery. The first mission to arrive was that of the Netherlands, which has been operating assiduously and effectively ever since. They were soon joined by representatives of France and Belgium, and before mid-April 1946 regular missions had arrived from all the eligible nations save Greece and the USSR. In special cases restitution ~~was~~ made to representatives other than the regular missions.

Between July 1945 and mid-April

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NEGOTIATIONS & RESTITUTION

MEMORANDUM ON THE PROBLEM OF RESTITUTIONS TO FRANCE

CHAPTER I

THE LEGAL AND MORAL FOUNDATION OF RIGHTS TO RESTITUTION

In all civilised countries, the various methods of the transfer of property, whether movable or immovable, are ruled by very precise and carefully established laws. These latter are intended to ensure general security and to prevent arbitrary ruling. They are founded on the principle of freedom in the matter of deals and transactions. Alternately, it should universally be admitted that transaction brought about by force or by cunning under constraint is distorted to the extent of becoming nil and void.

Exceptional war circumstances should in no ways prevent the application of these laws, and for many centuries civilised nations have endeavoured to enact them against the ancient barbarian custom of acquisition by force.

Hence, individual looting, which is one of the most ancient forms of this barbarian custom, is, in our times, subject to penal measures by the laws of all civilised countries.

At the same time as legislation acquired precision in that respect, other more subtle methods of illegal acquisition of property made their appearance, thus counterbalancing the efforts towards legality. These methods were sometimes applied on a big scale by the belligerent nation herself while acting as public authority. The problem was thus transferred from the sphere of private rights to that of public rights, and this resulted in a certain amount of confusion by which even the keenest minds were liable to be taken in.

This way of circumventing law first appeared in the course of World War I, and rapidly took a great extension. As a result, the problem featured largely in the treaties signed at the end of that war, and efforts were made to solve it in the sense of equity and justice.

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- The first paper on the subject is Appendix No. 2 (Par. 48) of the Armistice Convention of November 11, 1918.
- The second is Par. 6 of the Protocole of January 16, 1919 on the Renewal of the Armistice Convention.
- The third is another Protocole of March 25, 1919.

These combined papers cover the entire problem of all manner of restitutions which the countries invaded by Germany were in a position to claim. Their stipulations were later taken up in the Treaty of Versailles wherein this question figures in Articles 230, 339, 241 and 243 (last par.) of Part 8.

At the same time, and in order to carry out these stipulations which had been agreed upon, the German Government published on March 28, 1919 a Decree forcing their nationals to declare, under penalty of fine or prison all French and Belgian property in their possession.

As for the Treaty of Versailles, in the last Par. of Article 243 mentioned above, it established an extremely precise distinction between Reparations and Restitutions, stipulating that the latter could in no circumstances be written off to Germany's credit on the Reparations' account.

After World War II, having estimated the enormous scope of damage thus caused to the invaded countries, the Allied Nations published in London, on January 5, 1943, a solemn statement upon the actions of spoliation committed in occupied territories by the enemy or under his control. By that statement, the Allied Nations officially warned all parties concerned that they would seek by every possible means to put a stop to the methods of spoliation inflicted upon Nations and peoples outrageously assaulted and robbed by the governments with whom they were at war.

This statement stipulates that the undersigned Governments reserve the right to declare nil and void all transfers and exchanges carried out in the shape of apparently legal transactions, even if these transfers and exchanges are pretended to having been brought about without pressure.

Later, the Allied Control Authority in BERLIN took up the same idea in paper CONL/P (46) 3 amended, of January 2, 1946 — (Definition of the term Restitution) — The latter paper implicitly states in Par. I that the problem of restitution of property removed by the Germans from territories of Allied Nations should always be examined in the light of the statement of January 5, 1943.

Furthermore, Par. 2 of this paper states that all property removed by the enemy may be subject to restitution within the limits consistent with reparations, and paper CORC/P (46) 110 of March 23, 1946 specifies in Par. 3 that these limits consistent with reparation should be understood as follows: When an article claimed for restitution is necessary for the operation of a unit such as a plant assigned to Reparations, it may be withheld and not restituted. Nevertheless, if the restitution of the article itself is not granted, the claimant nation retains its right to restitution in the shape of articles of equivalent value consisting as far as possible of equipment, manufactured articles, and raw materials.

This, in fact, is the spirit in which quadripartite paper CORC/P (46) 143 of April 17, 1946, (Quadripartite Procedure for Restitutions) was approved, and wherein Par. II stipulated that only in the limits of possibility, should each claim

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Jan -
1951 - 2 file

FILE COPY

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : UNA/R - Files

DATE: April 23, 1951

FROM : UNA/R - H. C. Martin *HC*

SUBJECT: Reparation Payments to IRO as of April 20, 1951.

As of April 20, 1951 the situation with respect to reparation payments to IRO under Article 8 of the Paris Conference on Reparations and the Five Power Agreement on Reparations was as follows:

A. External Assets

\$25,000,000 was allocated IRO from German external assets in neutral countries. Of this \$12,500,000 had been obtained from Sweden and \$5,000,000 from Switzerland, a total of \$17,500,000. \$7,500,000 was still due; \$4,000,000 is supposed to be obtained under the Portuguese Accord and \$3,500,000 under the Swiss-Allied Accord. There appears to be little chance of any funds being realized from the Portuguese Accord, and negotiations were then underway in ^{BERN} Geneva on the Swiss-Allied Accord.

B. Heirless Assets

According to Mr. Seymour J. Rubin, IRO has realized virtually nothing if not absolutely nothing from heirless assets in neutral countries. He says he knows of no country which has turned over any heirless assets to IRO under this formula. Mr. Rubin stated that the Jewish Restitution Successor Organizations (JSRO) have, however, received the equivalent of from \$1,500,000 to \$2,000,000 from heirless assets in Germany under German restitution laws.

C. Non-monetary Gold

According to Mr. Rolbein, IRO's sales agent in New York for non-monetary gold, IRO has realized approximately \$3,500,000 from the sale of non-monetary gold allocated to it.

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 Authority: NND 765072
 By: JB NARA Date: 4-29-00

RG: 59

Entry: Recs of The IRO

File: PC IRO News Bulletin
 Box: 21

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SALE OF CONFISCATED PROPERTY FOR VICTIMS OF PERSECUTION

On Wednesday, October 27, 1948, at the Parke-Bernet Galleries, 30 East 57th Street, New York City, the IRO will open the sixth auction sale of the household goods confiscated by the Nazis from victims of persecution which has been turned over by the U. S. Government to the IRO for liquidation. The proceeds are used by IRO through designated voluntary agencies for the rehabilitation of the victims of persecution.

The property for disposal will include silverware, porcelain, glass, and oriental rugs. Many items of great intrinsic value and personal interest are available at very reasonable prices, as for example, solid silver trays, bowls, candlesticks, cigarette boxes, sets of glass and silver tableware, sets of china, porcelain figurines and bowls, as well as oriental rugs in a variety of sizes and patterns.

Five previous public sales held by the IRO in New York and Philadelphia since May have brought a total receipt of \$592,000 for stamps, unset diamonds and jewelry as well as household articles. Voluntary Agencies are invited to notify their associates of the forthcoming three or four day sale which starts on October 27 and which is open to private buyers as well as to dealers.

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See p. 2

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 INTERNATIONAL REFUGEE ORGANIZATION
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 Washington 6, D. C.

MIch. 8000
 Ext. 7

IRO NEWS DIGEST No. 16

7 October 1948

APPOINTMENT OF MRS. SUSAN PETTISS TO WASHINGTON STAFF

The Washington office of IRO announces the appointment, on October 1, 1948, of Mrs. Susan Pettiss as Voluntary Agency Liaison Officer for that office. Mrs. Pettiss has assumed the position formerly held by Miss Helen Wilson, who is departing on October 6, 1948 for the United States Zone of Germany where she will serve as Resettlement Officer in charge of those IRO operations in the U. S. Zone which are in connection with the United States resettlement program which has now been undertaken to implement the Displaced Persons Act of 1948.

A graduate of the University of Alabama and the New York School of Social Work, Mrs. Pettiss comes to the Washington office after completing an assignment with the American Council of Voluntary Agencies for Foreign Service in New York City which she carried out in connection with her school work. Prior to attendance at the New York School of Social Work, Mrs. Pettiss served with UNRRA from May, 1945 until June 1947, occupying various posts in the United States Zone of Germany. Before working with UNRRA, Mrs. Pettiss had many years of experience in social work in Alabama.

SUMMARY REPORT ON THE FIRST MEETING OF THE IRO GENERAL COUNCIL

The first meeting of the General Council of IRO began Monday, September 13, 1948 and closed on Saturday, September 25, 1948 after the adoption of resolutions on a number of issues basic to the organization and administration of IRO. The following are summaries of the most important decisions made by the Council.

1. Election of the Director General of IRO -- On September 13, the Council unanimously elected Mr. W. Hallam Tuck Director General of IRO. Mr. Tuck, who served as Executive Secretary of the Preparatory Commission from July 1, 1947 until formal establishment of IRO, is an American chemist and industrial engineer who has had wide experience in the field of relief work.

Immediately following his own appointment, Mr. Tuck appointed as his deputy Sr. Arthur Fucker, K.C.M.S., C.B., C.B.E. Sir Arthur, who served as Deputy Executive Secretary of the Preparatory Commission during the existence of the Commission has been seconded to IRO from his post as Deputy Secretary of the British Ministry of Health.

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UNITED NATIONS
Department of Public Information
Press & Publications Bureau
Lake Success, N. Y.

UNAP/R

Press Release IRO/136
1 April 1949

REPARATIONS FUNDS YIELD
\$15,306,458 FOR VICTIMS
OF NAZIS, IRO REPORTS

(The following was received at UN Headquarters from IRO, Geneva.)

Welfare agencies have received a total of \$15,306,458 from war reparations funds administered by the International Refugee Organization for rehabilitation of victims of Nazi persecution, IRO's General Council was informed today in Geneva.

A report of Director-General William Hallam Tuck, ex-officio administrator of the funds, revealed that \$15,092,326 had been disbursed for the rehabilitation of Jewish victims (\$9,845,746 to the Jewish Agency for Palestine and \$5,246,580 to the American Joint Distribution Committee); and \$214,152 to other agencies for the benefit of non-Jewish victims. This proportion is in accordance with a directive of the Paris Conference on Reparations which specified that 90 per cent of the fund should be used for Jewish survivors.

A total of \$13,541,000 had been received from Sweden and Switzerland as payments against liquidation of German assets in those countries, the report showed. Another \$2,171,874 had been realized from the sale of so-called "nonmonetary gold" recovered from Nazi war loot of unidentified ownership turned over to IRO by Western occupation authorities in Germany and Austria.

Other recipient agencies and amounts disbursed to them are: Comité Internationale pour le Placement des Intellectuels Réfugiés, \$19,072; Aide aux Emigrés, \$9,868; Self Help of Emigrés from Central Europe, \$1,382; International Rescue and Relief Committee, \$178,694; World Council of Churches, \$5,100; Unitarian Service Committee, \$117.

In addition \$7,500,000 remains to be collected from Nazi assets in neutral countries, and the further sale of property will yield an estimated \$1,300,000, the report stated.

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Press Release IRO/136
1 April 1949

A third major type of reparations designated by the Paris Conference for rehabilitation work are "heirless assets" held in many neutral countries. These cannot be obtained until the countries concerned pass legislation waiving their rights to unclaimed assets.

Most of the funds disbursed for Jewish refugees were used for transportation of eligible persecutees to the Western Hemisphere and Australia; settlement of families in the Dominican Republic, Norway and the Netherlands; medical rehabilitation of children; and vocational training.

In Palestine alone, reparations funds have been used in establishment of 1,255 children and 7,347 adults who have entered the area since June 1946.

The disbursements for non-Jewish persecutees have been made principally for individual migrations and for medical care and maintenance preparatory to migration.

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AUTHORITY AND 765072
BY JLB MRA Date 4-28-00

REPRODUCED AT THE NATIONAL ARCHIVES

MINISTERIE VAN FINANCIEN.

GENERALE THESAURIE.
DIRECTIE BEWINDVOERING.

~~EXPEDIERING~~

No. 133.

'S-GRAVENHAGE, 14 Juli 1952.

ONDERWERP:

Uitvoering Deel IV van de
Brusselse Overeenkomst d.d.
5 December 1947 t.a.v. de
Verenigde Staten.

Aan de Heer Minister van
Buitenlandse Zaken,
~~'s-GRAVENHAGE.~~

MIN. V. BUITENLANDSE ZAKEN	
NO.	INGEKOMEN
VERZ.	
PHOT.	
DATE	72799

Zoals U bekend is, zijn in de afgelopen maanden door vertegenwoordigers van mijn Ministerie, van het Nederlandse Beheersinstituut en van de Nederlandsche Bank, te Washington besprekingen gevoerd teneinde te komen tot uitvoering van de op 24 Januari 1951 in werking getreden overeenkomst van Brussel inzake onderling strijdige aanspraken op buiten Duitsland gelegen Duitse bezittingen.

In de eerste drie delen van de Annex dezer overeenkomst zijn regelingen vastgelegd voor de behandeling van verschillende soorten vermogensbestanddelen van Duitsers, waarop, op grond van de, in de onderscheidene tot deze overeenkomst toegetreden landen vigerende, wettelijke bepalingen, verschillende "Custodians" aanspraken doen gelden. In Deel IV van de genoemde Annex is een regeling neergelegd met betrekking tot in één der aangesloten landen berustende, als vijandelijk bezit in beslag genomen vermogensbestanddelen van een Duitse onderneming, waarin niet-vijandelijke onderdanen van bij de overeenkomst aangesloten landen een direct of indirect belang hebben.

Tijdens de hierboven genoemde besprekingen is een groot aantal meningsverschillen ten aanzien van de interpretatie van de bedoelde overeenkomst aan de orde geweest. Eén van de voornaamste punten, waaromtrent de Nederlandse en de Amerikaanse vertegenwoordigers van mening verschilden, was de interpretatie van art. 27 B van de Annex der overeenkomst, gezien in verband met het hierboven reeds genoemde Deel IV Van Amerikaanse zijde zijn n.l. door tussenkomst van mijn Ministerie veel claims ingediend t.a.v. vermogensbestanddelen welke Duitse ondernemingen, waarbij Amerikanen belang hebben, tijdens de bezetting van Nederland hadden verworven, waarbij gebruik werd gemaakt van de mogelijkheid, geschapen door de in strijd met het volkenrecht door de Duitse bezetter bevolen opheffing van de deviezensgrens met ingang van 1 April 1941, n.l. om op onbeperkte schaal tegen een

-door-

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door Duitsland eenzijdig vastgestelde koers rijksmarken in guldens om te zetten. Naar deze ^{de}zijdse tijdens voor-
noemde besprekingen naar voren gebrachte opvatting ^{van het Ministerie van Financiën} behoeft op grond van de bepalingen van de Brusselse Overeenkomst in zodanige gevallen geen vrijgave plaats te vinden van de hier te lande gelegen vermogensbestanddelen van Duitse ondernemingen, in verhouding tot het Amerikaanse belang in die Duitse ondernemingen. Door de Amerikaanse vertegenwoordigers werd dit Nederlandse standpunt niet gedeeld en werd op vrijgave der op deze wijze verkregen vermogensbestanddelen aangedrongen.

Het komt mij gewenst voor, dat t.a.v. deze aangelegenheid spoedig een decisie wordt bereikt, aangezien van Amerikaanse zijde de uitvoering van de overige delen van de Annex der Brusselse Overeenkomst - waarmede voor Nederland grote belangen zijn gemoeid - in feite afhankelijk is gesteld van de bereidheid van Nederland om ten aanzien van het hierboven besproken punt aan de Amerikaanse verlangens tege-
moet te komen, ofschoon de Brusselse Overeenkomst zelf deze binding van de uitvoering van verschillende onderdelen der overeenkomst op geen enkele wijze rechtvaardigt. In verband hiermede is overwogen een nota voor het State Department op te stellen, waarin het Nederlandse standpunt ten deze nog eens uitvoerig wordt uiteengezet. Een eerste concept voor deze nota werd nog tijdens het verblijf van enige leden van de Nederlandse delegatie te Washington opgesteld. In dit concept zijn nog enkele wijzigingen aangebracht; de gewijzigde tekst moge ik U hierbij in ~~tweevoud~~ doen toekomen.

Harer Majesteits Ambassadeur te Washington, met wie reeds overleg werd gepleegd over het aanbieden van een nota terzake aan het State Department, kon zich hiermede geheel verenigen.

Ik zal het op prijs stellen, indien U een exemplaar van de bijlage dezes aan Dr. van Royen wilt doen toekomen met het verzoek, een daaraan gelijkkluidende nota ten spoedigste aan het State Department aan te bieden. Te Uwer kennisneming voeg ik hier nog bij de in deze nota genoemde brief van Jack B. Tate, acting legal adviser van het State Department d.d. 13 April 1949.

Van de verdere gang van zaken ten deze zal ik gaarne op de hoogte worden gehouden.

DE MINISTER VAN FINANCIËN, a.i.
Voor de Minister,
DE PLV. SECRETARIS-GENERAAL,

C. J. van der Plas

VERSLAG van de besprekingen op 18 December 1945
gehouden op de U.S. Treasury.

Aanwesig van de zijde van de Treasury: Mrs. Schwartz en de Heer Arnold.

Aanwesig van de zijde van de Delegatie: de Heeren Daubanton, Prof. Posthuma, Phillips, G. van Hall en Davidson.

De heer Posthuma brengt als eerste punt ter sprake een vraag welke zich heeft voorgedaan bij een interne bespreking omtrent de wijze van certificeren. Deze vraag is wat zal gebeuren indien wij, niet wetende dat een bepaalde rekening meervoudig is geblokkeerd, een certificatie afgeven, houdende dat de rekening is die van een bona fide Nederlander. Zoodanige certificatie zal niet tot gevolg kunnen hebben dat de rekening gedeblokkeerd wordt. De heer Posthuma vraagt of het met het oog op dergelijke gevallen niet veiliger soude zijn, dat wij aan onze certificatie een alip hechten houdende het verzoek aan de bank om, indien een rekening meervoudig geblokkeerd is, ons bij ontvangst van onze certificatie zulks mede te delen of ware het beter de bank te verzoeken in zoodanige gevallen de Treasury te verwittigen.

De heer Arnold zegt dat het waarschijnlijk het beste is, dat de bank de Treasury verwittigt, waarop de Treasury deze aangelegenheid zou kunnen afdoen. In dien zin is door de Treasury reeds intern bealst. Tensinde echter op dit punt volkomen zeker te zijn verzoekt de Treasury ons haar brief te willen afwachten, welke brief in den loop van deze week zal worden geschreven en in welke brief alle ter sprake gebrachte punten zullen worden behandeld. De heer Schmidt bevindt zich op het oogenblik te New York tensinde met de diverse banken terzake overleg te plegen.

Nog brengt Prof. Posthuma ter sprake dat, als er in een rekening een Duitsch belang zit en wij certificeeren het als Nederlandsch, dan zal de Amerikaansche Bank waarschijnlijk weigeren om die rekening te deblakkeeren. Dit is in strijd met de bewoordingen van de ons te verstreken license.

De heer Arnold zegt dat de Treasury dergelijke gevallen ongetwijfeld met de Ambassade zal opnemen. Gelijk vroeger besproken zoude voor dit Duitsche belang immers een vrijwaring worden gegeven.

De heer van Hall brengt ter sprake dat naar zijn meening zeer weinig Duitschers eigenaren waren van certificaten van Amerikaansche aandelen uitgegeven door Nederlandsche administratie-kantoren. Hij schat dat er misschien een paar honderd certificaten in Duitsche handen zouden zijn geweest.

Volgens de onlangs met de Treasury op dit punt gevoerde besprekingen moet een zeker percentage van de hier in de rekeningen der administratie-kantoren aanwezige contante gelden gereserveerd blijven en de heer van Hall voelt dit als een bezwaar. Immers als de administratiekantoren de betaling van achterstallige dividenden gaan publiceeren moeten zij er zeker van zijn de volle 100% te hebben voor de betaling van die dividenden. Is niet reeds door het feit dat in die regeling slechts de tot 31 December 1944 vervallen dividenden zijn begrepen een voldoende reserve voor de Treasury aanwezig, vraagt de heer van Hall en zou daarom niet 100% kunnen worden vrijgegeven van de tot 31 December 1944 vervallen dividenden ?

De heer Arnold antwoordt dat die dividenden en interesten toch eerst betaald zouden worden als de Nederlandsche Regeering de rekening gecertificeerd heeft en dan is die rekening ook voor 100% vrij. Bovendien behoeft toch niet alles tegelijk betaald te worden en zou men kunnen volstaan met te publiceeren dat de coupons tot en met 31 December 1944 betaalbaar worden gesteld.

Daarenboven als de brief door den Minister van Financiën is geteekend soude men misschien de Treasury bereid vinden de reserveeringen nog te verlichten.

De heer van Hall wijst er vervolgens op dat in de naaste toekomst niet alle certificaten ter registratie zullen kunnen worden aangeboden, omdat reeds door het feit, dat diverse eigenaren zijn verdwenen zonder nalaten van naaste familie, het twijfelachtig is of die certificaten ooit zullen worden aangemeld. Voorts dient niet uit het oog te worden verloren dat door de diverse bombardementen effecten zijn verdwenen.

Volgens den heer van Hall zal de Amerikaansche Maatschappij duplicaten moeten geven aan de Nederlandsche Regeering die krachtens de nederlandsche wetgeving voor die niet aangemelde stukken de reukthebbende wordt.

De heer Arnold zegt dat hij het op dit punt met den heer van Hall niet eens is en dat dit onderwerp een punt van bespreking dient uit te maken by de custodian onderhandelingen (dit is een van de conflicting custodian problems). In dit verband wordt nog gewezen op de moeilijkheid dat de Nederlandsche Regeering alles zal moeten certificeeren voordat de administratiekantoren kunnen gaan uitbetalen.

De heer Arnold deelt verder nog mede, dat de Treasury een zeker bedrag aan dollars hier als reserve heeft willen houden, omdat wij - sociaal onzerzijds herhaaldelijk aangevoerd - om dollars verlegen zitten, terwijl toch een eventuele restitutie hier in dollars zal moeten geschieden.

Op een vraag hoe de certificatie precies moet luiden antwoordt de heer Arnold dat ook dit punt in de dezer dagen te ontvangen brief wordt omschreven.

Dan komt ter sprake de speciale blokkeering van 12 in Nederland gevestigde banken.

Alvorens tot de discussies over te gaan deelt Mevrouw Schwartz mede, dat deze speciale blokkeering uitsluitend is geschied om de positie van die banken hier statu quo te houden, totdat alle onzekerheid over die banken zou zijn opgehelderd. Immers nadat door de betreffende maatregel van de Treasury het verkeer met Nederland vrij werd gesteld van de vroeger geldende beperkende bepalingen was het noodig deze banken aan banden te leggen, omdat men ze hier verdenkt van te zijn een dekmantel voor duitsche belangen.

De Treasury is echter gaarne bereid om haar definitieve houding te wijzigen indien blijkt dat door de over en weer uit te wisselen gegevens ten onrechte speciale maatregelen tegen deze banken zijn genomen.

Dezerzijds werd medegedeeld, dat van die 12 banken er zeker eenige zijn waarvoor wij geen certificatie zouden hebben afgegeven; voor andere b.v. Hugo Kaufmann's Bank, zouden wij daarentegen zeer zeker een certificatie willen geven. De Aero Bank mag echter positief niet doorwerken; dit is een zuiver duitsche creatie.

De heer van Hall brengt ter sprake het geval van de Bank de Bary. Die bank, waarin oorspronkelijk veel duitsche belangen zaten, is volkomen in orde gebleken en heeft zich gedurende den oorlog uitstekend gedragen. Alle duitschers zijn uit de directie verwijderd en het is in aller belang om deze bank te laten doorwerken.

Nog wordt er dezerzijds de aandacht op gevestigd dat zelfs indien er in een bepaalde bank 30% duitsch belang zat, zulks nu niet meer geacht kan worden van gewicht te zijn in verband met het feit dat de Nederlandsche Regeering dat duitsche belang heeft overgenomen. Ook in zoo'n geval kan het van belang zijn dat die bank haar bedrijf voortzet.

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Van de zijde van de Treasury wordt medegedeeld, dat zij zich ter uitvoering van de Potsdam-overeenkomst moet houden aan zekere uitgestippelde lijnen en dat het voor de Treasury, die natuurlijk uitsluitend belang stelt in de hier van zoodanige bank aanwezige tegoeden, moeilijk is om tot deblokkeeren over te gaan indien zoo'n bank vóór den oorlog volkomen duitsch was.

De heer Posthuma zegt nog dat onder onze deviezenmaatregelen verschillende banken als z.g. deviezenbank zijn aangewezen. Wij zouden zeker ook de Bary als deviezenbank hebben aangewezen maar hebben dit niet gedaan uitsluitend in verband met de thans besproken speciale blokkeeringsmaatregel van de Treasury.

De heer Arnold zegt nog dat men z.i. met het afgeven van een certificatie voorzichtiger moet zijn als zoo'n bank volkomen onder vreemde invloed stond; immers de gegevens om tot certificeeren te kunnen geraken zouden dan verkregen worden van die vreemdelingen. Daarop wordt geantwoord dat dit niet het geval is, in de eerste plaats al niet omdat men niet zal bouwen op verklaringen door het personeel verstrekt, doch op een zelfstandig accountantsonderzoek en in de tweede plaats niet omdat dat personeel zeker is vervangen door Nederlandsch personeel, waardoor zoo'n bank wellicht méér Nederlandsch is geworden dan een oorspronkelijk Nederlandsche bank.

Mevrouw Schwartz overhandigde daarop aan den heer Daubanton een lijst van die Nederlandsche vennootschappen, die volgens de Treasury niet behooren gecertificeerd te worden omdat zij niet voor deblokkeeren in aanmerking komen.

De heer Daubanton vraagt nog of, indien komt vast te staan dat in het aan het Kilgore Committee uitgebracht rapport ten onrechte verdenking is geuit tegen zekere Nederlanders, de Treasury bereid is aan te bevelen dat dit rapport dienovereenkomstig wordt verbeterd. Op die manier toch zou een in het openbaar iemand aangewreven smet op gelijke wijze worden hersteld. De Treasury zegt toe aan dit punt hare aandacht te sullen besteden.

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123.7-1

24 January 1946

SUBJECT: Foreign Exchange Depository.

TO : Executive Officer, Finance Division.

1. In response to your request for information about the Foreign Exchange Depository, the following is given as a brief statement of the history, organization, current status and problems of the depository.
2. As you know, the depository is a section of Currency Branch, its maintenance and operation having been added arbitrarily to the functions of that branch in the spring of 1945. This was due principally to the efforts of Col. Bernard Bernstein, who was then Chief of Finance Division and was interested in the collection and control of the great variety of assets which later came into the depository. Originally the Currency Branch under SHANF was designed to hold, control, and distribute occupation currencies printed for use in the various countries occupied by the Allied armies. Reference is made to letter from Hq USFET, OMCUSE, Financial Branch, File No. OMC91.1-3, dated October 1945, Subject: Functions of Currency Section, signed by Mr. Joseph K. Dodge. For a comprehensive statement of the history and accomplishments of the Currency Branch, you may consult letter OE Fin 321-3, 14 November 1945, USFET, OMCUSE, Financial Branch, Subject: Currency Section, signed by Joseph K. Dodge, prepared by Capt. L. A. Jennings. Joint Chiefs of Staff, Directive 1067, declared that a separate agency should be provided to hold and control foreign exchange assets captured by the Army of the U.S. Currency Branch was selected to operate this agency and it was named the Foreign Exchange Depository.
3. Currency Branch has operated heretofore under a dual chain of command, that is, it originally operated under the European Civil Affairs Division, from which its personnel was chiefly recruited as "ECA, Currency Section for Germany," as a sub-division of Financial Branch of SHANF (G-5), and also as Currency Branch of Finance Division of Allied Group Control Council. Through various changes of name, these designations eventually became Currency Branch of Finance Division, Office of Military Government (US Zone), and Office of Military Government for Germany (US), respectively.
4. Actual operation of the Foreign Exchange Depository began in April 1945 when a detachment under the command of Lt. Col. Henry D. Cragen moved into Frankfurt/Main, Germany, charged, inter alia, with the mission of establishing and operating the depository. The Reichsbank Building, then occupied and in use by the Reichsbank Hauptstelle, was requisitioned and the occupants were allowed 48 hours to evacuate. Possession of the building having been established, certain structural alterations were necessary in order to provide greater secure storage capacity than was afforded by the

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existing vaults of the Reichsbank. For this purpose the air raid shelters in the sub-basement and certain other rooms in the building were strengthened and sealed. Almost immediately the receiving by the depository of shipments of valuables began.

5. The first shipment, the famous Markers Cache, was received at the depository on 15 April 1945. Some of the Currency Branch personnel had gone to the mine, between Fulda and Eisenach, to supervise the loading and distribution of this enormous hoard consisting of gold bullion, gold and silver coin, platinum, jewelry, a large quantity of "SS loot," and various currencies, including 2,700,000,000 RM. Bags, boxes and parcels, there were approximately 11,750 containers in this shipment alone. The long caravan of trucks which brought the loads of shipment No. 1 from the mine over a period of days was provided with a strong military escort of Army cars, motorcycles, guards, and even airplanes, in order to eliminate danger of loss. Seventy-five additional shipments were received at the depository during the remainder of the year. They came principally from what is now the U.S. Zone of occupation in Germany but some came from Austria, and Czechoslovakia, and from other areas into which the Army penetrated. It has been said that the depository contains the largest single collection of wealth in the world with the possible exception of that held at Ft. Knox, Ky. The gold holdings alone are second only to those at Ft. Knox.

6. In June 1945, a team of gold experts from the U.S. Treasury Department arrived in Frankfurt to begin evaluatory survey of the gold in the depository. They continued their labors for some 60 days with the assistance of Currency Branch personnel and at the conclusion of same, submitted a comprehensive report on their findings. Meanwhile, the personnel of the Currency Branch, consisting of some 16 officers and 130 enlisted men, preceded with the laborious task of inventorying, sorting, orderly storage, and cataloging of the contents of the depository. This work continued until in October deletion of personnel caused by the redeployment program reduced the staff of Currency Branch so that it became impracticable to continue operation in the depository in addition carrying on the other necessary functions of the branch.

7. It became apparent in August 1945 that space in the Reichsbank Building would not be sufficient to house all of the assets which had been taken into control by the various agencies of the Army under Military Government laws 52 and 53. These properties were held at various Reichsbanks in the U.S. Zone as a temporary measure. Orders were issued that no further shipments would be made to the depository until further notice.

8. Early in the operation of the depository, an elaborate security system modelled on that in use by the U.S. mints was instituted. Triple control was established for the main vault where the most precious items were kept and dual control for all other strong rooms. No person can be admitted to the main vault without the concurrent cooperation of three officers, each of whom carries keys to dual locks under his exclusive control. Keys of each officer are kept in his separate safe when not in use. In addition, the vault door has a combination lock known only to three officers. No person can enter or be in any vault or strong room unless two of these three

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officers are present. An infantry company of the 29th Infantry Division was assigned the duty of guarding the building, premises and all vault approaches. Only persons accompanied by officers, carrying passes signed by the Chief of Currency Branch, are allowed to approach the vault entrances. Barbed wire barriers and a flood lighting system are maintained around the premises to which there is only one entrance.

9. In addition to the interest which attaches to the depository because of the value of its contents, there are certain spectacular aspects of its complexion. In the main vault, through the wire netting which divides it into compartments, may be seen rooms filled with gold bars stacked three deep from wall to wall. Bars average a weight of about 25 pounds, and the value of about \$12,500 each. In one cage is a nugget approximately the size of a grapefruit and said to be the largest nugget in the world. In another is the gold of the German Foreign Office, called the Ribbentrop gold. In another is virtually the entire Hungarian gold reserve. Still another compartment houses boxes of diamonds of all sizes and specially processed metals. One compartment is devoted to super-precious metals such as platinum, irridium, palladium, etc. Several compartments are filled with sacks of gold coins of different countries. One large room contains about 200 suitcases or small trunks of the infamous SS loot. Included in this loot is an untold quantity of money and personal jewelry apparently stolen or taken from victims of the Nazi regime. There are also some 600 pounds of gold tooth-fillings said to have been extracted from the mouths of murder camp victims. Strangely enough, two rooms of the air raid shelter vaults are stacked to the ceilings with boxes of alarm clocks, most of them cheap and of negligible value as alarm clocks, but all a part of the loot. No attempt has been made as yet to evaluate the SS loot but from a cursory inspection of the contents of a few containers, it is apparent that the total value is a very large figure.

10. One interesting discovery was the hoard of English pounds sterling buried by the Nazi government. These were branded as being counterfeit by special experts despatched by Scotland Yard, but were pronounced to be so well done as to be virtually indistinguishable from the genuine. The face value of these notes totals approximately \$500 million. They are in denominations from 5 to 100 pounds, all neatly stacked and bill-strapped as if they had just come from the printing press. They have recently been shipped to the Bank of England for expert study and report.

11. Interesting also were the famous crown jewels of the Hungarian and Hohenzollern dynasties. These recently have been surrendered to Fine Arts, Monuments and Archives Division.

12. Many and complicated problems arise respecting the distribution of the contents of the depository. Much of this, notably the SS loot, is incapable of restitution because its origins were "lost" in the manner of its acquisition by the Nazis. It has been suggested that such of this loot as cannot be traced may be used to establish a foundation for charitable or alms purposes for the benefit of the war ravaged victims of the

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File No. _____

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Germans. Much of the gold bullion cannot be traced, it having been deliberately melted and recast into new bars by its captors. Proposal has been made that this gold be thrown into hotchpotch and divided among the nations (whose gold was seized by the Germans) in proportion to their unrecovered losses of national gold; debit to be made against their reparation claims. Individuals of various countries have attempted to present claims for jewelry and valuables alleged to have been stolen from them by the Germans and believed to be included in the captured loot. It has been impossible as yet for various reasons (one being absence of an inventory), to take cognizance of these claims other than to notify the claimants that all claims must be presented through their respective governments. Meanwhile, the various "victim nations" have been invited to submit a consolidated list of claims. It is contemplated that when these have been received and cataloged, invitations will be issued to the interested nations to despatch commissions to the depository, or other site of the property claimed, for the purpose of inspection, identification and verification of the claimed items; this to be done in cooperation with the custodians of such items. Policy has already been announced to the effect that restitution of currencies held by the depository, or other custodian, will be made to the country which issued such currencies. The questions of restitution and reparations are inextricably conjoined in that all claims for reparations must be reduced by the extent of restitution effected. This necessitates accurate accounting and evaluating of assets which are likely to be the subject of restitutions.

13. The task of completing an evaluatory inventory and accurate accounts of the assets of the Foreign Exchange Depository is huge, not only because of the quantity of the items involved but also because of the expert knowledge required to appraise, describe and catalog them. Furthermore, this work must be accomplished under security controls which will prevent loss, not a simple problem when it is considered that no one knows what is in the depository now. There are many very small items of great value. A few experts on precious stones and jewelry could labor for months on such an inventory without making any appreciable progress towards completion of their work.

14. It would be erroneous to assume that little or nothing has been done towards inventorying the property in the depository. The gold report represents a noteworthy achievement. Quantitative inventories have been made of approximately one-half of the shipments. That is, the contents of containers have been noted and listed by a general description, each container has been location charted, and orderly arrangement of all items has been effected, records have been made of all of these proceedings. Many thousands of man-hours have gone into the doing of this necessary ground work. What remains to be done is largely a job for experts. They can and should be aided by non-technical personnel of discretion and intelligence.

PAUL S. MCCARROLL
Capt., AS

327947

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Authority MM 877092
By MSJ NARA Date 3/28/00RG 59
Entry 381
File: no file
Box: 1

Aus

Central

FW
OK
file

August 6, 1947

To: The Under Secretary
 Through: S/S
 From: Director,
Office of European Affairs.
 Subject: Austrian treaty negotiations and US
action in connection Soviet seizures
of United Nations property in Austria.

Discussion:

The Austrian Treaty Commission, established on April 24, 1947 by the Moscow session of the Council of Foreign Ministers, has been in session in Vienna since May 12. Its instructions were to examine the unagreed articles of the Austrian Treaty and to ascertain the concrete facts relating to the problem of German assets and United Nations property in Austria. The fulfillment of the instructions of the Council of Foreign Ministers has been made impossible by the policy of the Soviet representative who has consistently refused to consider the factual material presented by the other delegations as having any bearing on the rigid Soviet position that the Potsdam Agreement gave the Soviet Union the sole right to determine the nature and extent of German ownership and to dispose of German assets without the participation of the other occupation powers. The inability of the Treaty Commission to reach after protracted negotiations any form of agreement on a factual report to the CFM is adversely affecting the Austrian political situation and will in time threaten the entire structure of four power relationships in Austria.

The Soviet disregard for the Treaty Commission has now been emphasized by a seizure of industrial plants on the basis of claims on the Creditanstalt and the Lobau refinery while the status of these properties and the extent of United Nations ownership was being discussed by the Commission. This unilateral action can be interpreted only as a complete disregard of the CFM decision of April 24 and the entire purpose of the Treaty Commission.

Since

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Authority	MMJ877092
By	MSJ NARA Date 3/28/00

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Since continuation of the Treaty Commission in the face of the Soviet unilateral action would be on terms humiliating to the other participants and would contribute to the deterioration of the Austrian situation, action should be taken by the US to register its disapproval and to enable it to explore new means of solving the Austrian question. A suggested program is as follows:

1. The recall for consultation of Joseph Dodge, the US representative and the dispatch of a note of protest through diplomatic channels to Moletov.

2. After discussions with Mr. Dodge, to arrive at a decision as to the future course of US action, for which the following alternatives are possible:

a. Resumption of the discussions in the Treaty Commission if a satisfactory answer to the US note of protest is received from the Soviets.

b. Reference of entire question back to the CFM as unagreed. The Austrian question would have to be placed on the CFM's agenda by interchange of notes through diplomatic channels.

c. A tripartite diplomatic approach to the Soviets offering recognition of their title to a list of indisputably German properties in return for a guarantee that all Soviet owned enterprises will be fully subject to the operation of Austrian law. In addition, tripartite approval may be given to Soviet-Austrian negotiations on the status of disputed cases as well as consideration of a proposal for a lump sum settlement to be made by the Austrians for all properties recognized as transferable. Such an alternative presupposes a successful completion of the work of the Treaty Commission in reaching an agreed report on the relevant factual material.

d. Reference by US, and possibly other states, of Austrian question to the General Assembly of the UN.

3. Discussion through diplomatic channels with the British and French concerning the next steps to be taken in the Austrian question in order to obtain concurrence prior to any announcement of a change in US policy.

Recommendations:

It is recommended that the Under Secretary approve the

first

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first step in the foregoing program and sign the attached telegram to Vienna recalling Dodge for consultation and the attached note to the Soviet Foreign Office protesting the Soviet unilateral action. A public announcement may be made on this incident after the arrival of Dodge and the delivery of the US note to the Soviet Foreign Office.

Attachments.

Concurrences: CE EE E UR OE(GA) A-H C

CE:FTWilliamson:cal

327950

DOA

RG 260

Entry Finance Advisor

File FED: ~~1947~~

Box 164

DECLASSIFIED
Authority NND 968106
By WDP NARA Date 5/11/00

my file

The Foreign Exchange Depository

Finance Division

Office of Military Government for Germany (U.S.)

Note: This paper is prepared solely for the information of the U.S. business Executives visiting the Foreign Exchange Depository on 27 April 1947.

DOA

RG 260
Entry Finance Advisor
File FED: 1947
Box 164

DECLASSIFIED
Authority NND 968106
By WDP NARA Date 5/1/00

Foreign Exchange Depository

Finance Division

Office of Military Government for Germany (U.S.)

Functions and Personnel

The Foreign Exchange Depository, headed by Colonel William G. Brey, US Army, is a branch of the Finance Division, OMGUS, the Director of which is Mr. Theodore H. Ball in Berlin.

Located in the Reichsbank Building in Frankfurt/Main its functions fall into two categories:



Reichsbank Building
Frankfurt

A. Depository Section

1. Custody, inventory and accounting for valuables uncovered in Germany by Allied Forces.
2. Custody of assets delivered in U.S. Zone under Military Government Law No. 53.
3. Investigation of ownership and claims pertaining to assets held.

B. Currency Section

1. Custody, issue, retirement and accounting for Allied Military marks.
2. Accounting for Military Government Court Fines.

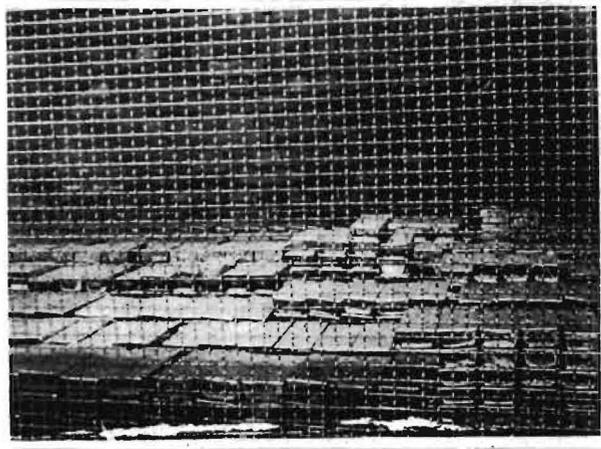
The staff includes U.S. Army Security Officers, U.S. accounting and banking specialists, Allied jewel experts and German clerical assistants.

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 Entry Finance Admin
 File FED: 1947
 Box 164

DECLASSIFIED
 Authority NND 968106
 By WDP/NARA Date 5/11/00

A. Depository Section

The first shipment of valuables arrived in April 1945 and constituted an enormous hoard of gold bullion, currencies, and several hundred containers of S.S. loot.



--- Gold Bullion.

This cache was discovered by the U.S. Army in the Merkers salt mine where it had been deposited, for safety from air raid attacks, by the Reichsbank Berlin.



--- Bags of Gold Coin.

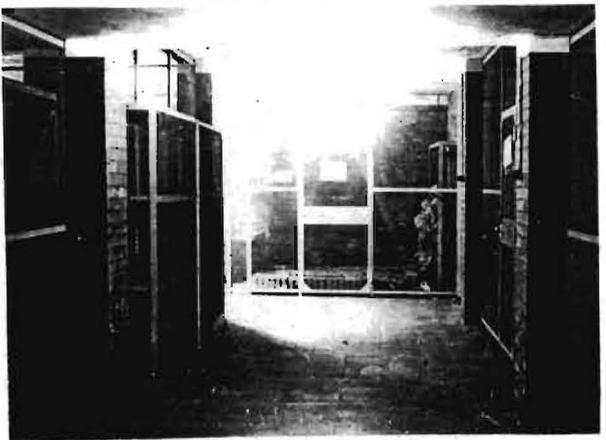
Before the end of 1945 many additional shipments arrived from various parts of Germany, filling spacious

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 By WDP NARA Date 5/1/00

vaults with a heterogeneous mass of assets, the sorting, inventorying, recording and investigation of which has been under way for many months. It is estimated that the values represented are well in excess of 500 million dollars.



--- Sealed Bullion Cages.

The ultimate disposition of these assets is governed by various rules as to restitution and reparation and by special directives issued by higher headquarters. Restitutions involving tons of gold and silver bullion have already been accomplished.



--- Containers of Currency from many Lands.

Large quantities of unidentifiable jewelry and other personal effects stripped from victims of Nazi brutality are also held in the Depository.

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FD: 1947

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Authority NND 968106

By WDP NARA Date 5/1/00

An interesting disposition as to gold bullion and coin was devised at the Paris Reparation Conference in December 1945. Analogous to the "General Average" concept in maritime law it involves the creation of a so-called "Gold Pot" which will be divided among the claimant countries in proportion to their losses of gold to Germany.

B. Currency Section

The Currency Section of the Foreign Exchange Depository is the highest official Allied Currency Office in the American Zone of Germany. As such it is responsible and concerned with Allied Military mark matters of any nature. It is charged with the custodianship of and has in reserve over eight billion Allied Military marks.



--- Mark Currency Reserve.

It maintains accounts with the Land Central Banks of each Land, having balances at present aggregating over three billion marks. Its functions include Advances of Allied Military marks to U.S. Armed Forces and Representatives of Allied Governments, redemption of mutilated, counterfeit or altered Allied Military marks, processing of payments to over two million German ex-Prisoners of War, reimbursement of U.S. Disbursing Officers for M.G. Expenditures. It is the Depository for MG Court Collections, such as fines and forfeitures, and it is responsible for the preparation of reports forwarded to the U.S. Treasury, War and Navy Departments. It participates in the formation of policy governing currency matters. Maintains liaison with the British Currency Section.

DOA
RG 59
Entry List # 62/115
File I-V: non-mon gold
Roy 25

DECLASSIFIED
Authority NND 968106
By WDP NARA Date 5/1/00

Jan 1/1945

DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

Gold Refinery Fletcher
DEPARTMENT OF STATE

INFORMATION
COPY

~~CONFIDENTIAL~~
OUTGOING TELEGRAM

13 D

4808

Origin: ESP

Feb 24, 1947

Info:

US URGENT

7 PM

S/S

U-E

A-H

EUR

OC

DC/L

ITP

OFD

FC

CIG

AMEMBASSY

BRUSSELS FOR DORR

230

Reurtel 231 Feb 17. Concur you oppose forcefully

Pr memo non-mon gold. Dept feels language Paris Act clearly requires non-mon gold go for rehabilitation non-repatriables only. Since demands IGCR-IRO program so high in relation to available non-mon gold US would oppose French plan. Considered that reopening question along lines French proposal wld raise numerous complicated problems, e.g., percentage distribution among recipients with final amounts involved too small. On other hand US favors and has been effecting maximum practical restitution identifiable loot from Germany to Allies.

There has been problem implementation Art 8 Paris Act. Non-mon gold not defined therein. US has taken position that narrow interpretation by limiting term to actual gold and excluding such loot found in Austria wld leave only comparatively insignificant property to be transferred IGCR-IRO. US has therefore adopted broad definition with objective including as much property as possible.

Baker
Fletcher
Return O.F.F. file: non-monetary gold

SECRET

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2/26

327956

DUA

RG

59

Entry

Lot # 62/115

File

I-V: non-monetary gold

Box

25

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Authority NND 968106

By WDP NARA Date 5/11/00

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230, 2/24/47, to BRUSSELS

SWNCC directive to US Forces Germany Austria last Nov provided for transfer to IGCR all valuable personal property representing loot seized from political, racial, religious victims Nazi govt or its allies or their nationals ~~xxx~~ which was or may hereafter be found, seized or confiscated by USFET or local authorities acting under direction or control US Forces provided (1) restitution can not be made because determination national origin impractical; (2) restitution to lawful owner under laws in force in place where presently found impossible because owner dead or determination ownership impractical; (3) real property in Germany and German currency and Jewish cultural property excluded. US Forces Germany Austria have begun implementation this directive. We have pressed both Brit and Fr act along same lines. Dept has had no reaction from Brit so far, understand ~~Fr~~ do not favor immediate transfer non-mon gold IGCR and oppose transfer non-mon gold found in Austria.

Dept suggest you circulate counter-memo to Fr memo only if you feel that ~~Fr~~ position likely to be accepted.

Your memo

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DOA
RG 59
Entry Lot # 62115
File I-V: monetary gold
Box 25

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Authority NND 968106
By WDP NARA Date 5/11/00

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230, 2/24/47, to BRUSSELS

Your memo might include any or all above points.

May be desirable not emphasize broad US interpretation

Art 8, Paris Act if danger other delegates conclude

that large amounts ~~gold~~ loot involved which might be

disposed of according to Fr plan.

MARSHALL

GA:AFK:ier:mig
2/21/47

A-H

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327958

DOA

RG

59

Entry

Lot # 62115

File

I-V: Monetary Gold

Box

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DECLASSIFIED

Authority NND 968106

By WDP NARA Date 5/11/00

1000/5-16-81

DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

DEPARTMENT OF STATE

INFORMATION COPY

INCOMING TELEGRAM

REPRODUCTION OF A WAR DEPT MESSAGE PASSED TO STATE FOR INFO

10-V

Action: ESP
Info :

- S
- U
- C
- ESC
- EUR
- TTP
- OPD
- OFS
- A-C
- A-C/R
- A-H
- A-R
- SPD
- FC
- OIC
- DC/R

RESTRICTED

Control 7593

No paraphrase necessary.

OMGUS, Berlin Germany

CG USFA Vienna, Austria

INFORMATION:

CG USFET Frankfurt, Germany

Number : WARX-98112

From WDSOA ES. Reourad Nov WARX 85965 Mar WARX 99226.

War Department

Dated August 21, 1946

Rec'd 5:12 p.m., 23rd.

Civil Affairs Division
311.23 CAD Maj Gorman 3127

21 August 1946

Handwritten signatures and notes:
Herman
Monetary Gold

This cable is in 2 parts.

Part One. There follows State Dept draft proposed JCS directive to OMGUS and USFA in implementation of that part of Article 8 of final act of Paris Conference on reparation signed by 18 nations on Jan 14, 1946 which provided:

"In recognition of fact that large numbers of persons have suffered heavily at hands of Nazis and now stand in dire need aid of promote their rehabilitation but will be unable to claim assistance of any Govt receiving reparation from Germany, the Govts of US of America, France, UK, Czechoslovakia and Yugoslavia, in consultation with inter-Govtial Committee on refugees, shall as soon as possible work out in common agreement plan on fol general lines:

A. Share of reparation consisting of all non monetary gold found by Allied Armed Forces in Germany shall be allocated for rehabilitation and resettlement of non repatriable victims of German action"

and that part

CM OUT 98112

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BOX
RG 59
Entry LOT # 62/115
File I-V: Monetary Gold
Box 25

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Authority NND 968106
By WDP NARA Date 5/11/00

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CM-OUT 98112

-2-, #WARX-98112, from War Dept, 21 August 1946.

and that part of Five-Power Agreement of June 14 pursuant to Article 8 which provided:

"The Inter Govt'l Committee on refugees or its successor orgn is hereby auth to take title from appropriate auth to all 'Non monetary gold' found by Allies in Germany and to take such steps as may be needed to liquidate these assets as promptly as possible, due consideration being given to secure highest possible realizable value".

1. You will make available on demand to duly accredited representative of IGCR all valuable personal property which represents loot seized or obtained under duress from political, racial or religious victims of Nazi Govt or its Satellite Govts or nationals thereof which was or may hereafter be found, seized or confiscated by USFET or by local authorities acting under direction or control of US Forces, subj to fol conditions:

A. That property cannot be restituted to Govt pursuant to WARX-85965 November 1945 and WARX-99226 March 1946, as amended and modified by Control Council action, because determination of national origin is impractical.

B. That property cannot be restituted to lawful owners under laws in force in place where presently found either because lawful owner has died or ceased to exist without legal successor or because determination of individual ownership is impractical.

C. That ownership interests in real property located in Germany and German currency or instruments of exchange payable in German currency will be excepted.

D. That Jewish books, manuscripts and literature of cultural or religious importance will be

excepted and

CM OUT 98112

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Entry

LOT # 62/115

File

I-V: ~~XXXXXXXXXX~~
XXXXXXXXXX 6019

Box

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Authority NND 968106By WDP NARA Date 5/11/00

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CM OUT 98112

-3-, #WARX-98112, from War Dept, 21 August 1946.

excepted and disposed of pursuant to separate directive.

E. That detailed inventory and tentative agreed valuation will be made of property subj to transfer to IGCR hereunder, and transfer will be made upon signing of joint inventory which shall be made part of receipt.

2. You will permit property transferred hereunder to be removed from Germany and Austria or to be sold therein if payment can be made outside Germany or Austria in acceptable foreign currency, notwithstanding any laws for control of foreign exchange, to end that maximum value be obtained therefrom by IGCR.

3. You will seek to obtain Control Council Agreement to disposition pursuant to terms of this directive of any property disposition of which is reserved to Control Council. Even prior to such agreement you will nevertheless execute directive and you may advise other representatives of Control auth that you are doing so pursuant to obligation assumed by your Govt in subscribing to Paris Agreement on reparations.

4. Expression "Valuable personal property" as used in par 1 of this directive shall be interpreted to exclude ordinary items of furniture, clothing and other personal property of small intrinsic value and to include any such items of uncommon value. In determination of impracticality of identification pursuant to par 1 subpar A and B of this directive regard shall be had to extent of commingling with other property and difficulty and expense of determination of ownership in comparison with value of property. All property, as defined herein, will be considered as falling within this directive and will be made available to IGCR unless available evidence clearly is to contrary. You will establish such adm

machinery

CM OUT 98112

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Entry

LIT # 62/115

File

I-V: non-monetary gold

Box

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Authority NND 968106

By WDP NARA Date 5/11/00

RESTRICTED

CM OUT 98112

-4-, WARX-98112, from War Dept, 21 August 1946.

machinery as may be necessary to execute this directive promptly and effectively".

Your comments desired soonest. Considered opinion of State that US policy should favor broadest possible interpretation obligation under Article VIII and that in definition on "Non monetary gold" and application to specific cases, most liberal interpretation should govern. Entirely outside obligation under Paris Reparation Agreement, this program directly related to general responsibilities this Govt connection financing resettlement German and Austrian non repatriables. To extent "Non monetary gold" made available from US Zones Germany and Austria and success in persuading UK and France to pursue similar policies their zones, general financing burden of US will be decreased. Therefore, position taken in proposed directive not viewed as strict construction Article VIII, but as being in line with more fundamental US interests.

As is well known non repatriable financial position critical and desirable that non monetary gold formula be established and applied without delay. Implementation thereafter should be given very high priority and preliminary steps taken now. IGCR representatives will be made available to advise and assist you as required. In order facilitate issuance of directive and implementation in field desired that your comments be submitted in form of any specific proposals for amendment which you may consider advisable. Repeat replies all addressees.

End.

ORIGINATOR: CAD

DISTRIBUTION: ASW, CAD (State) P&C

CM OUT-98112 (Aug 46) DTG 212243Z 1s

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DOA
RG 59
Entry Lot #62/115
File I-V: non-monetary gold
Box 25

DECLASSIFIED
Authority NND 968106
By WDP NARA Date 5/11/00

(H) on file: non-monetary gold, (definition & disposition)

DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE

INFORMATION
COPY

OUTGOING TELEGRAM

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9-D

4896

March 21, 1947

7 p.m.

US URGENT

Survey
Blacker

ORIGIN:ESP

AMEMBASSY

INFO:

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MOSCOW

616

SECDEL 1363

FOR WEINSTEIN AND KIMBLEBERGER

Ref is SECDEL 1266 Jan 28, reptd to Paris as 362.

request you discuss with Brit and Fr whole question disposition non-mon gold. As you know Dept has communicated to both govts decisions it has made re implementation by US occupation authorities Art 8 Paris Act. We have repeatedly both here and in London and Paris attempted learn what Brit and Fr are doing to fulfill their obligations under this Art. Neither govt has supplied info.

You will recall that in absence definition non-mon gold in Paris Act US in directive to occupation commanders has taken position that it includes all valuable personal property victims Nazi action which can not be returned owners or heirs because impossible determine nationality (for restitution purposes) or no surviving claimants. US has also decided apply non-mon gold directive to Amzone Austria, although language Paris Act apparently provides no legal basis therefor. US has taken position however that although Art 8 refers non-mon gold "in Germany", parties knew at time this wld include concentration camp loot which had already been transferred

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RG

Entry

File

Box

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Lot # 67/115

I-V: Monetary Gold

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Authority NND 968106By WDP NARA Date 5/11/00

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-2- #616 to Moscow, March 21, 1947

from Austria to Germany proper. US feels not unreasonable extend Art 8 to cover non-mon gold which happened not to have been already removed from Austria at time of Paris agreement.

Brit have failed so far indicate their reaction US decisions. Fr have specifically refused accept principles followed by US under Art 8 and now suggest that definition non-mon gold and applicability Art 8 Austria should be decided by IARA. Some time ago Fr delegate IARA circulated memo there proposing reopening discussion non-mon gold with view to allocating certain amounts to citizens of countries other than those specified at Five-Power Conference Paris last June. US firmly opposes IARA discussion Art 8 because circumstances indicate this wld only lead to criticism US interpretation Art 8 and provide basis protracted delay delivery assets IGCR-IRO.

Re so-called Hungarian gold train Austria. As you know US has made portion of train in its zone available IGCR and has requested Fr take similar action re portion train their zone. While US can not insist such action or even legally press Fr for info re their plans this loot, US does feel that France shld not retain loot for itself. If France

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unwilling

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RG

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Entry

Lot # 62/115

File

I-V: FOREIGN M-
MONETARY GOLD

Box

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Authority NND 968106

By WDP NARA Date 5/11/00

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-3- #616 to Moscow, March 21, 1947

unwilling surrender loot IGCR believe it shld be returned
 latter
 Hungary. Expression this view which will be pressed in
 Paris next week by Hungarian Finanmin Nyaradi, may help
 persuade Fr deliver to IGCR.

US feels its own prompt and extensive action under
 Paris Act entitles it inquire what other govts are doing,
 at least in Germany, and suggest expeditious action. As
 you may be aware, ^{Brit} at least ~~these~~ have uncovered substantial
 hoards non-mon gold (under US definition) their zone Germany.
 Request therefore you press Brit and Fr for info these
 matters and attempt once more obtain their cooperation in
 effective expeditious program. Text of US directive being
 forwarded air pouch.

Reptd to Brussels for Dorr as 381 to Paris as 1055
 to London as 1274.

ACHESON

Acting

GA:AFKiefer:mlg
3/21/47

BC

WE

A-H

CODE ROOM: Pls rept to Brussels for Dorr as _____ to Paris as _____
 to London as _____.

CONFIDENTIAL

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DECLASSIFIED	
Authority	UND 881032
By	WDP NARA Date 5/10/00

RG	260
Entry	Finance Annex
File	Disposition of Assets
Box	161

CONFIDENTIAL

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (US)
Finance Division
APO 742

26 Nov 1948

SUBJECT: Delivery of Foreign Securities in Germany.

TO : Deputy Military Governor

1. References: DFIN/Memo(48) 190
CORC/P(48)274

2. a. This paper, containing the majority opinion of the United States, British and French members of the Finance Directorate and the minority opinion of the Soviet member, combines two closely related problems which have been under separate discussion. The history of discussion on both the question of Foreign Currencies and that of Foreign Securities found in Germany have followed the same general pattern, with the United States, British and French assuming them to be external assets and the Soviet taking the position that their ownership rests with the Zone Commander.

b. Foreign Currency - The ownership of foreign currency has been under discussion since March, the first discussion resulting in a Tripartite report by a special committee with a Soviet reservation. After considerable discussion in the Finance Directorate the matter was referred to the Legal Directorate, in which the Soviet maintained their minority position.

c. Foreign Securities - The question of the ownership of foreign securities was discussed in the GEPC in February and an agreed report made to the Finance Directorate that foreign securities found in Germany fall under Control Council Law No. 5. The Finance Directorate considered this report and referred the question to the Legal Directorate. The resulting Legal Directorate opinion together with the Finance Directorate opinion, both containing the Soviet dissent, were referred to the GEPC. The GEPC was divided on the same basis and referred the matter to CORC.

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327966

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 Authority NND 881032
 By WDP NARA Date 5/10/00

RG 260
 Entry Finance Advice
 File Disposition of Assets
 Box 161

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

The Coordinating Committee considered the question (CORC/P(46)274) and referred it to the Finance Directorate to consider in connection with the subject of foreign currency.

d. The paper now referred to the Coordinating Committee, therefore, combines the two subjects on both of which the Soviet minority position stated in the paper has been maintained in the Finance Directorate, the Legal Directorate and the GEPC. Their agreement that currency or securities proved to be looted may be restituted is stated as not prejudicing the arguments that currency and securities are part of the resources of each occupation zone. It is expected that this position will be maintained by the Soviet member of the Coordinating Committee.

3. a. Before the signing of the Potsdam Agreement, there were, fundamentally, two possible approaches to the problem of disposing of German assets abroad. One was to allocate foreign assets abroad on the basis of the location of the property; the other was to allocate on the basis of the location of rights, titles and interests in the property. The former approach was adopted at Potsdam, with the western powers relinquishing all claim to German property located in Finland, Bulgaria, Roumania, Hungary and eastern Austria, and the Soviet Government relinquishing claim to properties located elsewhere. It was certainly not the intention of the signers of the Potsdam Agreement to award to the Soviet Government all German-owned foreign securities found in the Soviet Zone of occupation, irrespective of the physical location of the property.

b. The authors of CC Law No. 5 doubtless had this in mind when they wrote that "All rights, titles and interests in respect of any property outside Germany" owned or controlled by persons of German nationality are vested in the GEPC.

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

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 Authority NND 881032
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BOX
 RG 260
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 File Disposition of Assets
 Box 161

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

c. It is the United States position that German-owned foreign securities and currencies, wherever they may be found, are "rights, titles and interests in respect of property outside Germany" and are vested in the GEPC for ultimate disposition in accordance with the Potsdam provisions.

d. A security is not property in the same sense as a factory or a corporation; though sometimes loosely referred to as property, it is, strictly speaking, a right, title or interest in property. Thus, a factory located in the Soviet zone is at the disposal of the Soviet zone commander, even though shares representing a majority ownership might have been found in one of the western zones. The Soviets would certainly not dispute this.

e. Foreign currencies found in Germany are means of payment resulting from foreign trade and are legal tender only in the respective issuing countries. They are indistinguishable from foreign credits in the form of bank accounts or accounts receivable. They represent promises of foreign countries to pay in goods or services. This is their only value. They cannot, therefore, be said to belong to the resources of the occupation zone in which they are found, as the Soviets argue. Since they represent purchasing power abroad, they are rights in respect of property abroad and under CC Law No. 5 are vested in the GEPC.

f. At the same time, the United States recognizes that claims for restitution take precedence over claims of ownership under CC Law No. 5. It is conceded, therefore, that securities and currencies issued by countries which suffered German invasion and occupation may be presumed to have been looted and should in principle be subject to restitution.

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

327968

DECLASSIFIED
Authority NND 881032
By WDP NARA Date 5/10/00

RG 260
Entry Finance ADVISE
File DISPOSITION OF [unclear]
Box 161

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

4. Recommendation

It is recommended that the United States member support the position previously maintained and, unless the Soviet reservation is withdrawn, refer the paper to the Control Council.

5. Concurrences

a. Legal (A.J.R. 20/11/48)

b. Landerrat - This subject is one of quadripartite policy which does not require Landerrat concurrence.

JACK BENNET
Director
Finance Division

327969

DECLASSIFIED	
Authority	<u>NND 881032</u>
By	<u>WDP</u> NARA Date <u>5/10/00</u>

RG	<u>760</u>
Entry	<u>Finance Review</u>
File	<u>Disposition of Assets</u>
Box	<u>161</u>

The point of view of the Soviet Delegate
on the foreign securities and foreign
currency in Germany.

-
1. Foreign currency found in Germany, except currency brought into Germany under duress from occupied countries, constituted the means of payment for the German economy which have been created as the result of her foreign trade; such currency, therefore, cannot be considered as German assets abroad. The foreign currency in Germany belongs to the resources of the occupation zone where it has been found and thus should be at the disposal of the respective Zone Commanders. Foreign currency that can be proved to have been taken away under duress from invaded countries is subject to restitution.
 2. There are no special provisions in the decision of the Berlin Conference for the distribution of foreign securities in Germany. Taking into account that foreign securities were freely bought and sold in German stock exchanges and thus had quite an independent value for their holders, the Soviet Delegate considers it necessary to postpone the decision on the principles of their distribution pending the final settlement of the United Nations' reparations claims against Germany.
 3. The reference of the British, American and French Delegates to the Legal Directorate's decision is not well based because this decision does not treat the question of the legal nature of securities, but states only that securities which have been taken away under duress from the invaded countries, if identified, are subject to restitution, which is also the opinion of the Soviet representative in the Finance Directorate.

RG 260
Entry FED
File #940.401 - ^{SEARCH} A
Box 424

DECLASSIFIED
Authority NND 775058
By JCP NARA Date 5/12/00

22 September 1947

Mr. Henry Barger
Neuvecelle sur Evian
(Haute - Savoie)
France

Referring to your inquiry dated 8 Sept 1947 regarding the wedding rings of your parents, alleged victims of Auschwitz Camp, we regret to advise there is no likelihood of recovering this property.

It was impractical to catalogue the identifying markings of thousands of items of small intrinsic value much of which had already been melted down in the Camps, and therefore we are unable to state whether or not the rings in question were held by this office.

WILLIAM G. BREY,
Colonel, GSC,
Chief, Foreign Exchange Depository

RG 260
 Entry 1560
 File #940.401 - S4400K A
 Box 424

DECLASSIFIED
 Authority NND 775058
 By JAD NARA Date 5/12/00

Henri Berger
 Neuvicelle sur Eriant
 (Haute - Savoie)
 France.

File
 940.7001

To Colonel William B. Bray
 U.S. Army
 Frankfurt - Germany

Neuvicelle, September 8th 1947.

My Colonel,
 By Mr. Edwin Heinrich's contribution to
 the New York Herald Tribune, European Edition, yester-
 day's issue, I learned of your statement concerning Gestapo
 loot in torture camps.

I should be very obliged to you, if you could
 tell me of any possibility to get back, eventually,
 the wedding rings of my parents, killed at Buchenwald
 camp in October 1944. They are engraved: Josef, 11.6.1924
 and Suzanne or Lusi 11.6.1924. If necessary, I can
 prove the death of my parents by a statement of the
 international association of internees.

Thanking you by advance, agree My Colonel,
 my respectful salutations.

Henri Berger.