

RG 131-04P
Entry 658-1063
File 6- - Wien
Box 1 (orig)

Enclosure 12

[Translation]

[Hassfuether/JF/fl/25]

The application must be submitted
in duplicate.

Entries must be typewritten
or printed in block letters!

To be filled up by the
Oesterreichische Nationalbank.
Record No. 49/7.

To
the Oesterreichische Nationalbank,
V i e n n a .

Subject: Unblocking of Austrian assets blocked in the USA.

A p p l i c a t i o n

for the issue of a certificate concerning assets blocked in the U.S.A. or American securities located in Austria required in accordance with General License No.95 of the USA Treasury.

I (we) herewith request that in accordance with General License No.95 a certificate be issued concerning the assets specified under point 6.

1. Christian name and surname of the owner (person entitled to claim the assets), in the case of firms state the exact name of the firm, and in the case of companies and legal entities state also their legal status.
(If the application is submitted by persons authorized to represent the applicant their authorization must be duly proved):

Oesterreichische Laenderbank Aktiengesellschaft.

2. Address: 2 Am Hof, Vienna I.
3. Residence (registered office) during the period from June 14, 1941, up to the date of application (The statements must be proved by official certificates):

2 Am Hof, Vienna I.

328114

RG 131-074
Entry 65-8-1063
File 6- - Wien
Box 1 (one)

4. Citizenship during the period from June 14, 1941, up to the date of application (The statements must be proved by a certificate of origin issued after June 14, 1941, or by other official certificates):
.....

5. Statements of natural persons concerning the obligation to register pursuant to § 4 of the Law relating to National Socialists of 1947. State also whether applicant belong to the group of persons mentioned in this law under § 17,2 (offenders) and § 17,3 (minor offenders).
(The statements must be proved by a certificate from the relevant registration authority)
.....

[page 2 of the original:]

6. Exact description of the assets to be included in the certificate. State place where they are located and exact address of the persons who have them in custody, administer them or who may be regarded as debtors (Attach documents which may be useful as evidence for the statements):

\$15,011.00 credit balance with the
Guaranty Trust Company of New York, New York.

7. State time of acquisition of the assets and the person from whom they were acquired (predecessor in title) as well as reasons for acquisitions, e.g., purchase, donation, delivery of goods etc. (Attach documents proving these statements):
.....

8. State record number of the foreign exchange declaration, if the assets had to be declared pursuant to the foreign exchange law:

40705

9. If the assets belong to a group of persons (co-operative partnership under civil law, general partnership etc.) the partners (co-owners) and their shares must be declared, and the statements concerning their share must be rendered under points 1-7 in duplicate by each of the partners on a separate form or an attached sheet:
.....

RG 131-011P
Entry 658-1063
File Ab - - Wien
Box 1 (one)

[page 3 of the original:]

10. Legal entities must state to what extent persons having their residence (registered office) in Austria and citizens of other countries, in particular of Germany, Japan, Hungary, Bulgaria or Rumania, participated during the period from June 14, 1941, up to the date of application directly or indirectly in the assets covered by the certificate. Attention is directed to the provisions contained in the note overleaf:

(Documents in support of the statements made concerning the years after 1940 must be submitted, e.g., depositing of shares for general meetings, composition of the Administrative Board etc.)

Our bank has been nationalized and must therefore be regarded as a body corporate under Austrian law.

11. Space for special remarks, in particular for supplements to points 9 and 10:

.....

I (we) confirm that I (we) have made the above statements to the best of my (our) knowledge and belief, and that I am (we are) aware of the fact that false statements will render me (us) liable to prosecution.

Vienna, May 18, 1948.

OESTERREICHISCHE LAENDERBANK
AKTIENGESELLSCHAFT
(s) [2 illegible signatures]

Certificate issued by the Austrian credit agency, if it holds assets for custody or administration.

The undersigned credit agency herewith confirms that the above statements which can be checked on the basis of its own records, i.e., the statements made under points are correct.

Date:

.....
(Official signature of the Austrian credit agency)

RG 131-044
Entry 65 B-1063
File 6- - Wien
Box 1 (one)

[page 4 of the original:]

Note:

All assets (claims, credit balances, securities, real estate etc.) located in the U.S.A. which are blocked as regards Austria are subject to the investigation proceedings. The American securities located in Austria as well as the securities issued by Austrian debtors which are payable in the U.S.A. in dollars are also subject to these investigation proceedings, since without a certificate these securities are not negotiable and cannot be imported into the U.S.A. A certificate may be issued concerning such assets unless citizens of Germany, Japan, Hungary, Bulgaria or Rumania or other persons who are individually regarded as enemies by the U.S.A. hold a direct or indirect interest (participation) in them. Natural persons and legal entities who on June 14, 1941, or thereafter had their residence or registered office in Germany (excluding the territory of Austria), Japan, Hungary, Bulgaria or Rumania are regarded in this connection as citizens of Germany, Japan, Hungary, Bulgaria and Rumania. The same applies to citizens of Germany or Japan who on December 7, 1941, or at any time thereafter had their residence within the territory of Austria or within any other country in the period during which such country was regarded as enemy territory.

Certificates may be issued

- a) for natural persons who on June 14, 1941, or thereafter had their uninterrupted residence within the territory of Austria or any other country where the unblocking of assets has already been effected. However, citizens of Germany or Japan who at any time since December 7, 1941, stayed within Germany (including the territory of Austria), Japan, or any other country in the period during which such country was regarded as enemy territory by the United States are excluded. Apart from Austria, the following countries are at present regarded as "unblocked countries" with regard to which General License No.95 must be applied: France, Belgium, Norway, Finland, the Netherlands, Czechoslovakia, Luxembourg, Denmark, Greece, Switzerland, Liechtenstein, Poland:
- b) for persons, limited companies, corporate bodies and organizations established within the purview of Austrian laws, unless on or after June 14, 1941, citizens of Germany, Japan, Hungary, Bulgaria or Rumania within the meaning of the above definition participated or still participate in them.

RG 151-0718
Entry 65 B-1063
File H- - Wien
Box 1 (one)

Space for remarks of the Oesterreichische Nationalbank:

Granted, all conditions for the issue of a certificate being fulfilled.

[stamp:] May 28, 1948.

OESTERREICHISCHE NATIONALBANK
Investigation Department
for Payments to and from Foreign Countries.
(s) [2 illegible signatures]

HEADQUARTERS
UNITED STATES FORCES IN AUSTRIA
USACA SECTION
ECONOMICS AND FINANCE DIVISIONS
APO 777 U.S.ARMY

No objections

Vienna, June 11, 1948.
OESTERREICHISCHE NATIONALBANK
Legal Department
(s) [2 illegible signatures]

Gabriel T. Kerekes,
Foreign Credits Advisor.

RG 31-04P
Entry 65 B-1063
File Ab - - Wien
Box 1 (one)

Der Antrag ist in zweifacher Ausfertigung einzubringen.

In Maschin- oder Block-
schrift auszufüllen.

Von der Oesterreichischen Nationalbank
anzufüllen
Protokoll-Nr. 4917

An die

Oesterreichische Nationalbank

Wien.

Betr. Deblockierung der in den USA
gesperrten österreichischen
Vermögenswerte.

Antrag

auf Ausstellung einer Bescheinigung (Zertifikat) für die in den USA gesperrten Vermögens-
werte oder in Österreich befindlichen amerikanischen Wertpapiere im Sinne der vom Schatz-
amt der USA erlassenen

ALLGEMEINEN ERMÄCHTIGUNG

(General License Nr. 95).

Ich (Wir) beantrage(n) für die im Punkt 6 näher bezeichneten Vermögenswerte die
Ausstellung einer Bescheinigung im Sinne der General License Nr. 95.

1. Vor- und Zuname des Eigentümers (Forderungsberechtigten), bei Firmen die genaue
Firmabezeichnung, bei Gesellschaften und juristischen Personen Angabe der Rechtsform:
(Bei Antragstellung durch Vertretungsberechtigte ist die Vertretungsbefugnis gehörig nachzuweisen.)

Oesterreichische Länderbank Aktiengesellschaft

2. Adresse:

Wien I., Am Hof 2

3. Wohnsitz (Sitz) während der Zeit vom 14. Juni 1941 bis zur Antragstellung:
(Die Angaben sind durch behördliche Bestätigungen nachzuweisen.)

Wien I., Am Hof 2

4. Staatsangehörigkeit während der Zeit vom 14. Juni 1941 bis zur Antragstellung:

(Die Angaben sind durch einen nach dem 14. Juni 1941 ausgestellten Heimatschein oder durch andere
behördliche Bestätigungen, nachzuweisen.)

5. Angaben natürlicher Personen über die Registrierungspflicht gemäß § 4 des
Nationalsozialistengesetzes 1947 und Zugehörigkeit zum Personenkreis des § 17/2
(Belastete) oder § 17/3 (Minderbelastete) dieses Gesetzes:

(Die Angaben sind durch eine Bestätigung der zuständigen Registrierungsbehörde zu belegen.)

RG 131-0111
Entry 65 B-1063
File Ab - Wien
Box 1 (one)

6. Genaue Bezeichnung der zu bescheinigenden Vermögenswerte mit Angabe des Ortes, an dem sie sich befinden, und der Personen, die die Vermögenswerte verwahren oder verwalten oder die als Schuldner in Betracht kommen, mit genauer Adresse:
(Schriftstücke, die als Nachweis für die Angaben dienen können, sind beizuschließen)

§ 15.011,- Guthaben bei der Guaranty Trust Company of New-York
New- York

7. Bekanntgabe des Zeitpunktes, zu dem die Vermögenswerte erworben worden sind, und Benennung dessen, von dem sie erworben wurden (Rechtsvorgänger), sowie Angabe des Erwerbsgrundes z. B. Kauf, Schenkung, Warenlieferung u. dgl.:
(Schriftstücke zum Nachweis dieser Angaben sind beizufügen.)

8. Angabe der Protokoll-Nr. der Devisenanmeldung, falls die Vermögenswerte auf Grund des Devisengesetzes anzumelden waren:

40705

9. Gehören die Vermögenswerte einer Mehrheit von Personen (Erwerbsgesellschaft nach bürgerlichem Recht, offene Handelsgesellschaft u. dgl.), sind die Gesellschafter (Miteigentümer) mit ihren Anteilen zu verzeichnen und sind von jedem für seinen Anteil die unter Punkt 1--7 angeführten Angaben auf gesondertem Formular oder einem Beiblatt in zweifacher Ausfertigung zu machen:

328120

RG 31-011
Entry 65 B-1063
File H- - Wien
Box 1 (one)

10. Juristische Personen haben anzugeben, inwieweit Personen mit dem Wohnsitz (Sitz) in Österreich und Angehörige anderer Staaten, insbesondere Deutschlands, Japans, Ungarns, Bulgariens oder Rumäniens an den zu bescheinigenden Vermögenswerten während der Zeit vom 14. Juni 1941 bis zur Antragstellung unmittelbar oder mittelbar Beteiligungen besessen haben. Auf die Bestimmungen der umseitigen Anmerkung wird hingewiesen:

(Unterlagen zum Nachweis der Angaben für die Jahre nach 1940 sind vorzulegen, z. B. Anmeldungen zu den Generalversammlungen, Zusammensetzung des Verwaltungsrates u. dgl.)

unser Institut ist verstaatlicht und somit als österr. Rechtssubjekt anzusehen

11. Raum für besondere Bemerkungen, insbesondere für Ergänzungen zu den Punkten 9 u. 10:

Ich (Wir) erkläre(n), daß die obigen Angaben nach bestem Wissen und Gewissen gemacht wurden, und es ist mir (uns) bewußt, daß ich mich (wir uns) durch unwahre Angaben strafbar mache(n).

Wien , am 18. Mai 1948

ÖSTERREICHISCHE LÄNDERBANK
Aktiengesellschaft

[Handwritten Signature]
Unterschrift Zeichnung des Antragstellers

Bestätigungsvermerk des österr. Kreditinstitutes, falls Vermögenswerte von ihm verwahrt oder verwaltet werden.

Das unterzeichnete Kreditinstitut bestätigt, daß die vorstehenden nach ihren Aufzeichnungen überprüfbaren Angaben, das sind die Angaben in den Punkten:

richtig sind.

am 1948

(Firmenmäßige Zeichnung des österr. Kreditinstitutes)

328121

RG 121-011
Entry 65 B-1063
File Hb- - Wien
Box 1 (over)

Anmerkung:

Gegenstand des Prüfungsverfahrens sind alle in den USA vorhandenen, Österreich gegenüber gesperrten Vermögenswerte (Forderungen, Guthaben, Wertpapiere, Liegenschaften usw.). In dieses Prüfungsverfahren werden auch die in Österreich befindlichen amerikanischen Wertpapiere sowie die auf Dollar lautenden, in den USA zahlbaren Wertpapiere österreichischer Schuldner einbezogen, weil diese Wertpapiere ohne Bescheinigung (Zertifikat) nicht gehandelt und nicht in die USA eingeführt werden können. Für solche Vermögenswerte kann eine Bescheinigung ausgestellt werden, wenn an ihnen nicht unmittelbar oder mittelbar Interessen (Beteiligungen) von Angehörigen Deutschlands, Japans, Ungarns, Bulgariens oder Rumäniens oder von Personen bestehen, die von den USA im besonderen als Feinde angesehen werden. Als Angehörige Deutschlands, Japans, Ungarns, Bulgariens und Rumäniens in diesem Sinne gelten natürliche und juristische Personen, die am 14. Juni 1941 oder nachher in Deutschland (ausschließlich des Gebietes Österreichs), Japan, Ungarn, Bulgarien oder Rumänien ihren Wohnsitz oder Sitz hatten. Ihnen gleich zu halten sind Staatsangehörige Deutschlands oder Japans, die am 7. Dezember 1941 oder nachher zu irgend einem Zeitpunkt im Gebiete Österreichs oder in einem anderen Lande ihren Wohnsitz hatten, während dieses als Feindland galt.

Die Ausstellung von Bescheinigungen kommt in Betracht:

- a) für natürliche Personen, die am oder nach dem 14. Juni 1941 ununterbrochen im Gebiete Österreichs oder irgend einem anderen bereits deblockierten Lande ihren Wohnsitz hatten. Ausgenommen sind jedoch Staatsangehörige Deutschlands oder Japans, die sich zu irgend einer Zeit seit 7. Dezember 1941 in Deutschland (einschließlich des Gebietes Österreichs), Japan oder einem anderen Lande aufgehalten hatten, während dieses im Verhältnis zu den Vereinigten Staaten als Feindgebiet anzusehen war. Außer Österreich gelten derzeit als deblockierte Länder, auf die die General License Nr. 95 anzuwenden ist: Frankreich, Belgien, Norwegen, Finnland, Niederlande, Cechoslovakei, Luxemburg, Dänemark, Griechenland, Schweiz, Liechtenstein, Polen.
- b) Für Personen und Kapitalgesellschaften, Körperschaften und Organisationen, die im Geltungsbereich der österreichischen Gesetze errichtet sind, falls an ihnen nicht am oder nach dem 14. Juni 1941 unmittelbar oder mittelbar Angehörige Deutschlands, Japans, Ungarns, Bulgariens oder Rumäniens im Sinne der oben angeführten Begriffsbestimmung beteiligt waren oder beteiligt sind.

Raum für Bemerkungen der Oesterreichischen Nationalbank:

Beantwortet da alle Voraussetzungen zur Zertifizierung gegeben sind.

28. 6. 48
Österreichischer Verkehr
Prüfung
[Handwritten signatures]

HEADQUARTERS
UNITED STATES FORCES IN AUSTRIA
USACA SECTION
ECONOMICS AND FINANCE DIVISIONS
APO 777 U.S.ARMY

No objections

Vienna, 11 June 1948

Oesterreichische Nationalbank

Gabriel T. Merkes
Foreign Credits Advisor

1
11. 74

328122

RG	131-044
Entry	65 B-1063
File	6- - Wien
Box	1 (one)

Oesterreichische Nationalbank
WIEN

Enclosure 15

Für die ... bestimmt

Prot. Nr.: F/49/7

AUSTRIAN CERTIFICATE
UNDER
GENERAL LICENSE Nr. 95

The Austrian Nationalbank, acting upon instructions of the Ministry of Finance, certifies, that no foreign country designated in the order, or national thereof, within the meaning of the General License Nr. 95, other than a country specified in such license or a national thereof, as defined in the License, has had any interest in the following property, rights or interests between June 14, 1941, and the date of this certification.

Owner of the property, rights and interests: Oesterreichische Länderbank A.G., Wien

Custodian, administrator, debtor: Guarenty Trust Co. of New York, New York

Details: Balance:
§ 15.011.- (fifteenthousand and eleven)

Wien, May 21, 1948

Direktorium
der
Oesterreichischen Nationalbank

Oesterreichische Nationalbank
WIEN

Für die

Enclosure 14

Prot. Nr.: F 49/1

AUSTRIAN CERTIFICATE
UNDER
GENERAL LICENSE Nr. 95

The Austrian Nationalbank, acting upon instructions of the Ministry of Finance, certifies, that no foreign country designated in the order, or national thereof, within the meaning of the General License Nr. 95, other than a country specified in such license or a national thereof, as defined in the License, has had any interest in the following property, rights or interests between June 14, 1941, and the date of this certification.

Owner of the property, rights and interests: Länderbank Wien Aktiengesellschaft,
W i e n I., Am Hof 2.

Custodian, administrator, debtor: Guarenty Trust Company of New York,
New York,

Details: Balance:
§ 771.14 (seven hundred and seventy one 14/100)

Wien, May 5, 1948

Direktorium
der
Oesterreichischen Nationalbank

328123

Entry 65-1063
File Ab - - Wien
Box 1 (one)

16
Enclosure

Guaranty Trust Company of New York
16073 New York.

Dev. We/B

June 28, 1948

Gentlemen:

Re: General License No. 95.

We beg to hand you enclosed eight certificates issued by National Bank of Austria unter General License No. 95 with regard to :

⌘ 17.385.--	owner: Ing. Dr. Ludwig Schön, London,
⌘ 7.177.--	" Ignatz Weiss, London,
⌘ 370.73	" Alfred E. Nathorff, New York, 16 City N.Y. 127 East 30th Street
⌘ 34.--	" Elsie Marion Thuner, Habana,
⌘ 55.--	" Theodore F. Cozzika, Kairo,
⌘ 771.14	" Länderbank Wien Aktiengesellschaft, Wien I., Am Hof 2
⌘ 52.493.68	" Länderbank Wien Aktiengesellschaft, Wien I., Am Hof 2
⌘ 15.011.--	" Österreichische Länderbank A.G., Wien.

and request you kindly to unblock these amounts on your books.

Looking forward to your respective advices, we remain, Gentlemen,

Yours very truly
ÖSTERREICHISCHE LÄNDERBANK
Aktiengesellschaft

8 enclosures
registered

328124

RG 31-044
Entry 65 B-1063
File F6 - Wien
Box 1 (one)

Enclosure 17

[Translation]

[v. Schimpff/JF/fl/os]

Vienna,
April 19, 1952.

Under the account numbers listed, the following clients maintained with us during the years 1947 and 1948 the dollar balances mentioned below:

			[in handwriting:]
12.209	Dr. Ludwig Schoen, Engineer, London	\$17,385.00	17,397.00
67.296	Ignaz Weiss, London	\$7,177.00	7,180.59
13.306	Alfred E. Nathorff, 127 East 30th Street, New York City 16, N.Y.	\$370.73	370.73
68.661	Elsie Marion Khuner, Havana	\$34.00	31.31
67.062	Theodore P. Cozzika, Cairo,	\$55.00	58.50

Bookkeeping Dept.
(s) [illegible]

[note in handwriting:] June 1st
debit 95,030.79

328125

RG 131-077
 Entry 65 B-1063
 File H- - Wien
 Box 1 (one)

Enclosure 17

Schirff/JF/fl/057

Wien, den 19. April 1952

Folgende Kunden haben unter den angeführten Kontonummern bei uns in den Jahren 1947 und 1948 die tiefer angeführten ~~g~~-Guthaben unterhalten :

12.209	Ing. Dr. Ludwig Schön, London	g	17.385,—	17.397—
67.292	Ignaz Weiss, London	"	7.177,—	7.780.59
13.306	Alfred E. Nathorff, New York, 16 City N.Y. 127 East 30th Street	"	370,73	370.73
68.661	Elsie Marion Khuner, Habana,	"	34,—	37.31
67.062	Theodore P. Cozzika, Kairo	"	55,—	58.50

Buchhaltung

19. 5/1 95.030.79

RG 101-011
Entry 65-8-1063
File 6- - Wien
Box 1 (one)

Enclosure 18

Translation

V. Schimpff/JF/fl/W

Vienna,
April 23, 1952.

The clients mentioned below had the following credit balances with us as of June 1941:

12.209	Dr. Ludwig Schoen, Engineer, London,	\$17,397.00
67.292	Ignaz Weiss, London,	\$7,180.59
13.306	Alfred E. Nathorff, 127 East 30th Street, New York City 16, N.Y.,	\$370.73
68.661	Elsie Marion Khuner, Havana,	\$31.31
67.062	Theodor P. Cozzika, Cairo,	\$58.50

As of June 1941, our credit balance with the Guarantee Trust Co., New York, amounted to \$95,030.79.

Bookkeeping Dept.
(s) illegible

328127

RG 121
 Entry 65-1003
 File 6- - Wien
 Box 1 (one)

Wien, den 23. April 1952

Die unten angeführten Kunden hatten im Juni 1941 folgende Guthaben bei uns :

12.209	Ing. Dr. Ludwig Schör., London	§	17.397,--
67.292	Ignaz Weiss, London	"	7.180,59
13.306	Alfred E. Nathorff, New York 16 City N.Y. 127 East 30th Street	"	370,73
68.661	Elsie Marior Khunmer, Habana	"	31,31
67.062	Theodor F. Cozzika, Hairo	"	58,50
Unser Guthaben bei der Guaranty Trust Comp., New York,			
im <u>Juni 1941</u> betrug			§ 95.030,79.

Buchhaltung

Hoover Archives
Grossman, Kurt collection. Box 49
Folder: "Jews in Germany"

27 January 1950

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

Dear Mr. Secretary,

I am herewith enclosing my final report as Acting Adviser on Jewish Affairs. In keeping with the practice of my predecessors I should like to have delivered the report to you personally. However, I will be on terminal leave in Europe and in Israel until the end of February and will not return to the Zone of Interior until the middle of March. I thought that you would prefer to have my impressions prior to the latter date.

The report has been cleared with Mr. McCloy and with General Keyes. Mr. McCloy made no comments. General Keyes indicated that my figure of 170,000 on the post-war influx of the Jewish refugees (page 8) was somewhat low. He felt that since approximately 150,000 had passed through Austria alone, the total figure for Germany and Austria should be higher. My calculations are approximate only and are based on estimates made by the American Joint Distribution Committee directors in Germany and Austria. Moreover, it should be pointed out that most of the Jewish DPs who eventually reached Germany came through Austria. I discussed this estimate with General Keyes' chief of the DP Division who appeared to be satisfied with my explanation.

General Keyes made one additional comment. In the original draft that I submitted to him I made no reference to his concern about the restitution situation in Austria and to his determination to prevent the injustice that I pointed out (pages 4-5). In the draft I am submitting I corrected the next to the last paragraph on page 5 to bring it in line with the General's comments, which I believe to be justified.

Obviously, I will be at your disposal should you wish to have me call at your office when I return to the States.

Respectfully yours,

ABRAHAM S. HYMAN
MAJOR FA
Acting Adviser on Jewish
Affairs

328129

This photocopy may not be further reproduced or distributed without the specific authori-

HOOPER INSTITUTION
ON WAR, REVOLUTION AND PEACE



NOTICE: THIS MATERIAL MAY BE PROTECTED BY COPYRIGHT

27 January 1950

SUBJECT: Report of Major Abraham S. Hyman, Acting Adviser on
Jewish Affairs to the US Commands, Germany and Austria

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

Pursuant to plan, the Office of Adviser on Jewish Affairs was discontinued on 31 December 1949. This, therefore, will be the last report of the Office and will cover the period from 15 October to 31 December 1949.

A. Solution of DP Problem

Progress in the solution of the DP problem can be measured only in terms of resettlement. Although the emigration pace set during the first nine and a half months of 1949 was not maintained during the balance of the year, there continued to be substantial resettlement of Jewish DPs from the US Zones of occupation between 15 October and 31 December 1949.

During this period 6,743 Jewish DPs were resettled from Germany and 2,095 from Austria. Of these 1,801 migrated to Israel, 6,297 to the United States and 740 to all other countries. It is estimated that as of 31 December 1949 there were 27,500 Jewish DPs in the U.S. Zone, Germany, and 9,200 in the U.S. Zone, Austria and in the U.S. Sector of Vienna. These estimates on the residual Jewish DP population include approximately 12,000 out-of-camp Jewish DPs in the U.S. Zone, Germany and 3,000 in the U.S. Zone, Austria and in the U.S. sector of Vienna. The total number of Jewish DPs resettled from the DP countries (Germany, Austria and Italy) from the end of hostilities to 31 December 1949 was 200,000, of whom 145,000 migrated to Israel, 46,000 to the United States and 9,000 to other countries.

The chief obstacle which has stood in the way of the final solution of the Jewish DP problem has been the delay in Congressional action on the proposed amendment to the United States DP Act. Migration to Israel continues. However, there are many Jewish DPs who had planned to settle in Israel who have been discouraged from going there by reports of the grim conditions facing the new arrival in that country. When it is considered that approximately 90,000 newcomers, including women and infants are bivouaced in tents in Israel and that the prospects for adequate housing to absorb the new immigrants are for the time being rather bleak, it is not difficult to understand why people who themselves have been homeless for the past decade have ruled out Israel as a present resettlement possibility. These people and those who had originally resolved to go to the United States and who are ineligible because they arrived in the areas to which the Act is applicable after the cut-off date of 22 December 1945, have been waiting for definitive action on the pending amendment. Now that it is morally certain that the amendment will pass the early solution of the Jewish DP problem is assured.

B. Handling of Specific Issues

1. Ruling on the removal of pre-fabricated houses:

In his report of 1 November 1949 Mr. Greenstein urged a liberal

328130

This photocopy may not be further reproduced
or distributed without the specific authori-

HOOVER INSTITUTION
ON WAR, REVOLUTION AND PEACE



NOTICE: THIS MATERIAL MAY
BE PROTECTED BY COPYRIGHT

interpretation of the EUCOM directive of 27 July 1949, dealing with the removal of personal belongings by DPs leaving in group movements. The High Commissioner's disposition to implement this directive in that spirit was reflected in a recent ruling that DPs may take with them pre-fabricated houses, provided they meet the requirements of the directive; namely, are able to prove that the houses were legally acquired with funds legitimately acquired. This ruling is of particular value to the Jewish DPs leaving for Israel. It is anticipated that most of the DPs who will avail themselves of this decision will employ funds they acquire under the General Claims Law to purchase their houses.

2. Abolition of Search and Seizure Operations as Method of Law Enforcement:

On 9 November 1949 a forward step was taken when EUCOM outlawed the use of search and seizure operations in DP camps as a law enforcement device, and substituted for it the normal procedure on search and arrest as sanctioned by the Anglo-American legal tradition. The mass raids were used chiefly as a weapon against the black market offenders. Actually, no group of people in Germany were ever exempt from the temptations of the black market. Aside from this fact and the fact that the law infractions uncovered in a DP camp in the course of a mass search would have been revealed by a similar operation in any German community of comparable size, events have proven that not the employment of law enforcing agents nor the threat of their use, but the availability of consumers goods on the legitimate market is the only effective antidote against the black market.

3. Publication in German of Records of Major Nurnberg War Crimes Trials:

A project which has been abandoned and which, in my opinion, should be revived is the publication in German of the records of the major War Crimes Trials conducted at Nurnberg. I refer to the Doctors, Justices, Generals, Industrialists, Diplomats and SS cases. Our attempt to bring Germany within the democratic orbit will remain nothing more than a noble experiment unless the German people are first convinced that the losses which they lament, and for which they presently hold the Allies responsible, are the harvest of the seeds sown and cultivated by the Nazi regime. The Germans may be more readily disposed to repudiate that regime, if it were engraved on their minds that even before a single shot was fired the architects and patron saints of National Socialism had engaged in a conspiracy against civilization and that the crowning achievement of the Third Reich was the systematic and ruthless extermination of millions of innocent people, German and non-German, alike. While there may be general apathy towards this story today, the material in the Nurnberg records of trial must be readily available to such leaders in Germany who are resolved to discredit the Nazi tradition and are determined to prepare the soil in which the democratic way of life can grow in Germany.

As compared with the amount expended on the project before it was abandoned, relatively little is necessary to complete it. I have shared my views on this matter with Mr. McCloy who acknowledged the merit of the project and directed that the matter be studied.

4. Restitution - Germany:

It is with satisfaction that I report the determination of the US

328131

This photocopy may not be further reproduced or distributed without the specific authority of the original author.

HOOPER INSTITUTION
ON WAR, REVOLUTION AND PEACE

NOTICE: THIS MATERIAL MAY BE SUBJECT TO PATENT AND COPYRIGHT PROTECTION

High Commissioner to prevent the restitution law in effect in the US Zone, Germany, from being defeated through interminable delays in the restitution courts. In December Mr. McCloy appointed a court expediter whose sole function it will be to follow the progress of the restitution cases through the legal apparatus provided for their trial and review and to recommend procedural changes for speeding up their ultimate disposition.

Another development in the field of restitution in Germany is worth noting. On 4 November 1949 the Frei Demokratische Partei introduced a resolution in the Bundestag requesting permission of the occupation authorities to substitute a Federal restitution law for the zonal laws and to hold all restitution cases in abeyance, pending the adoption of such a law. In presenting the resolution the party spokesman urged that it was imperative to have uniformity throughout Western Germany in the field of restitution. Granted that the argument has merit, the obvious answer is that uniformity in internal restitution has, in a large measure, been achieved. The restitution laws in effect in the US Zone, in the British Zone and in the Western Sectors of Berlin are virtually identical and the French authorities are at the present time working on revisions of their zonal law to bring it in line with the others. In view of the history of our Military Government Law 59, it is reasonably certain that the Frei Demokratische Partei advanced the resolution in response to popular demand for a diluted restitution law. To disabuse those who had been relying on the prospects of a watered-down Federal law, Mr. McCloy announced on 19 December that no material change in the US restitution law was contemplated.

C. Observations on and Recommendations with Reference to Specific Issues

1. Restitution - Austria:

The basic legislation on internal restitution in Austria is the Third Restitution Law. It provides for the return of property transferred by a persecutee during the period of the Anschluss, except in those cases where the Aryanizer can affirmatively show that the transaction would have taken place in the absence of National Socialism. Following the October elections the extreme rightists of the Volkspartei introduced a measure in parliament which strikes at the very roots of the Third Restitution Law. The proposed amendments would replace the legal presumption of confiscation by the rule that restitution is mandatory only in cases where the price was inadequate or where the seller was not free to select his purchaser; would require the return of the purchase price irrespective of the seller's power of disposition over the proceeds of sale; would dispense with the provision that one of the assessors in the Restitution Chambers must be a member of a persecutee class; and would permit the review of all adjudicated cases in the light of the law as amended. The Austrian press is reputed to have thrown its full weight behind the proposed amendments.

It is, I believe, fair to state that these proposed amendments are a clear-cut attempt at the emasculation of the Third Restitution Law and that if adopted, internal restitution in Austria will become a farce. Granted there are hardships created by the law now in force. It is, however, relevant to mention that the hardships on the part of the original owners of the property escape the notice of those who advocate the changes for the reason that most of the original transferers have either emigrated or are dead; in either case, the victims of the evil which the Third Restitution Law was designed, in part, to undo. The fundamental issue is not the hardships of the person who is asked to part with property he acquired but, rather, how do the equities of that person

328132

This photocopy may not be further reproduced or distributed without the specific authori-

HOOVER INSTITUTION
ON WAR, REVOLUTION AND PEACE



NOTICE: THIS MATERIAL MAY BE PROMOTED

compare with those of the person, who was victimized, or with those of his survivors. It is elementary justice that no transfer of property effected under duress should be permitted to stand. And it is crystal clear that at the time the transfers falling within the purview of the Third Restitution Law were made, there was duress, panic and terror in the very air the persecutee breathed. Transfers made under such pressure, though superficially free, cannot be deemed to be voluntary regardless of the adequacy of the consideration. This thinking is instinct in the restitution laws in force in Western Germany and in the law now in force in Austria. The adoption of the proposed amendments would be tantamount to Austria's ratification of part of the mischief the Nazis introduced into Austria. It would be most difficult to reconcile this ratification with Austria's contention that she herself was the victim of Nazi aggression.

General Keyes and his staff are keenly aware of the restitution situation in Austria and will, I am confident, in line with our basic mission in Austria, do what they can to awaken the conscience of the Austrian leaders to the implications inherent in the adoption of the proposed amendments.

It is, of course, not possible to refer to internal restitution in Austria without inviting attention to Austria's failure to this date to provide for the disposition of heirless and unclaimed property subject to restitution. This property must be made available for the use of the victims of National Socialism, under the same formula as it is disposed of in the zonal laws in Germany.

2. Equalization of War Burdens:

I share Mr. Greenstein's views that the property of those who were victimized by the Nazis should be relieved of the burdens of the Equalization of Burdens law, present and future. This is particularly applicable to the property of those who left Germany and who have not returned. These people, understandably, are unable to reconcile what happened to them, with their present liability for part of the losses sustained by those who, directly or indirectly, participated in their expropriation and expulsion.

To meet the objection that the administration of a law providing for that exemption would present insurmountable difficulties on the ground that the term "persecutees" is incapable of exact definition, the rule might be adopted that property which is subject to restitution under Military Government Law 59 (and similar laws in the other zones) should enjoy that exemption. In such cases proof of persecutee status of the owner is a necessary prerequisite to recovery and is an issue which must be formally adjudicated.

3. Anti-Semitism:

The latter part of November President Heuss and Chancellor Adenauer made elaborate statements on the question of anti-Semitism. On the eve of the Jewish New Years in September 1949 they had extended greetings to the Jews of Germany. However, for all practical purposes, their November statements represented the first uttered on the subject since the end of the war by men prominent in German political life. The statements were forthright and represent an excellent beginning. The President and Chancellor deplored the brutalities of the Nazi regime, promised to make restitution to the victims to the extent that restitution is possible, admitted that the Germans had reason to feel collectively "ashamed" for belonging to a people who had subjected the Jews to unprecedented slaughter (though rejecting the concept of "collective guilt")

328133

This photocopy may not be further reproduced or distributed without the specific authori-

HOOPER INSTITUTION
ON WAR, REVOLUTION AND PEACE



NOTICE: THIS MATERIAL MAY BE PROTECTED BY COPYRIGHT

and invited the German Jews to return to Germany to help in its reconstruction and to reintegrate into its economic and cultural life.

I am reasonably certain that the appeal for the return of the Jews who had migrated from Germany was genuine. Yet, assuming that this sentiment was shared by Jews everywhere, it is safe to conjecture that the appeal will fall on deaf ears. The reason is obvious. Virtually the only Jews who have been returning to Germany, and they in trickles, are the aged. They are the people who were unable to make an adjustment in the country of asylum and were drawn back to the land with which their memories are associated and where they feel at home. The Jews who were forced to flee have, in the main, nursed a deep resentment and profound disappointment that their friends and neighbors were indifferent to their plight, during the period when Hitler succeeded in mobilizing the country's sentiments against them. It would be impossible to plumb the depths of their feelings towards those who actively participated in their expulsion and in the extermination of their loved ones. Moreover, the men of ability have taken root elsewhere and it is hardly thinkable that they would return to resume their lives in an environment which is still hostile to the people of their faith. The permanent Jewish community in Germany is presently in an amorphous stage, yet to be crystallized. At best, for the Jews who left Germany this country today represents a social vacuum in which life would have little meaning.

Probably the most significant aspect of the Heuss and Adenauer statements is the press reaction to them. In the main, the press reported the statements without comment or with comments which were lukewarm. This would justify the conclusion that the issue the German leaders raised is still taboo or, what is more likely, that what they said represents their personal philosophy and not the convictions of the German people. This bears out my personal experience. In the course of my four and a half years tour of duty in Germany I met Germans who had the courage to reject anti-Semitism during the Nazi regime and Germans who, today, are outspoken protagonists for a world in which all groups, including Jews, can live in security. At this stage, however, I feel that these people are a pitifully small minority and are hardly a factor in the national psychology of the German people.

I am in complete agreement with Mr. Greenstein's observations on anti-Semitism, expressed in his report of 1 November 1949, and would merely underscore the need for our own understanding that active anti-Semitism is not only a symptom of moral rot but is a sure sign that the other evils of the Nazi regime still persist in Germany. At a conference in Heidelberg, convened on 31 July 1949 to discuss the future of German Jewry, Mr. McCloy stated that Germany's treatment of its Jews will be a barometer of its regeneration as a democratic force. I believe that this view is unassailable. In our approach to the German people we should stress the fact that it is at least as much if not more, in their own interest as it is in the interest of the Jewish people that they forsake their anti-Semitism.

C. Summary

The welfare of the Jewish DPs in Germany and Austria was the primary concern of the Adviser's Office during the four years of its existence. Having been associated with that office for the past three and a half years, I was in the position to observe the Jewish DP problem develop in the various stages through which it passed.

328134

NOTICE: THIS MATERIAL MAY
BE PROTECTED BY COPYRIGHT



HOOVER INSTITUTION
ON WAR, REVOLUTION AND PEACE

This photocopy may not be further reproduced
or distributed without the specific authori-

When the war ended it was found that only about 30,000 Jews had survived the concentration camps in Germany and Austria. The repatriation or resettlement of these would have been no major task. The real Jewish DP problem was created by the post-war influx of approximately 170,000 Jews from Poland, Rumania, Hungary, and Czechoslovakia, who fled either because of pogroms, because of fear of physical violence, because of their rejection of Communism as a way of life, and, to use their own words, because they could not live in the "graveyards" of their families and friends. It is an ironic twist of history that these people, running away from actual or potential persecution, should have come to the very country which unloosed the forces that led up to their plight. Inherent in this situation, however, was the greatest tribute to the American people. The refugees did not come to Germany; they came to receive the protection of the armed forces of the country in which they instinctively had a consummate faith. Their instincts served them well, for in the US Zones of occupation they received the care and treatment that enabled them not only to regain their health but restored in them a positive faith in themselves and in their own future.

To me it was constant source of amazement that men trained to fight could, when catapulted into positions requiring skills totally unrelated to their previous experiences, show the social vision they displayed in the handling of the many complex problems the Jewish DPs presented. Sometimes it appeared to the men on the operational level that the DPs were too great a burden and that they interfered with functions which they regarded more germane to the Army's mission in Germany and Austria. However, the men responsible for shaping and implementing American policy in Germany and Austria, Generals Eisenhower, McNarney, Clay, Huebner, Clark and Keyes and Mr. McCloy, and their immediate staffs, generated a spirit through their commands in the presence of which the impatience with the DPs was dissipated. It is to the everlasting credit of these men that they recognized that the Jewish segment of the general DP population had been Hitler's chief victims and gave these people preferential treatment when and so long as justice warranted it.

During the past three and a half years our office made many recommendations on behalf of the Jewish DPs. Almost with no exception, every request which could, within the framework of our occupation policy, be met, was readily met. Aided by UNRRA, the IRO and by the Jewish voluntary agencies, notably the American Joint Distribution Committee and the Jewish Agency for Palestine, the Army pursued a course which led to the rehabilitation of several hundred thousand lives who had all but lost faith in humanity. In so doing the US Army in Germany and Austria, in my opinion, raised its own stature as an instrument of a living democracy.

Equally deserving of praise are the Jewish DPs themselves. What happened to these people collectively has, to my knowledge, no parallel in the history of civilized men. All of them were uprooted from their homes, many were the sole survivors of their immediate families, and nearly all will, as long as they live, be tortured by the gnawing memories of children, wives, husbands, parents and other kin breathing their last before a Nazi firing squad or expiring in a sealed freight car, in a gas chamber, in a crematorium, or in a living grave. In the light of these shattering losses, which were sufficient to unbalance the most sturdy, their record in Germany and Austria, especially for the resilience they displayed, for the self-restraint they exercised, and for the will to live they demonstrated, deserves a special place of honor in the story of mankind.

328135



I am most grateful to the Army for permitting me to serve in the Adviser's Office and for the singular privilege of ending my tour of duty with the armed forces in a post which enabled me to experience the warmth and understanding which Mr. McCloy brought to every problem I presented to him.

ABRAHAM S. HYMAN
Major FA
Acting Adviser on Jewish Affairs

328136

NOTICE: THIS MATERIAL MAY
BE PROTECTED BY COPYRIGHT



HOOPER INSTITUTION
ON WAR, REVOLUTION AND PEACE

This photocopy may not be further reproduced
or distributed without the specific authori-

Grossman collection
Box 49
"Jews in Germany" file
(excerpt: section on restitution)

FINAL REPORT
OF
MAJOR ABRAHAM S. HYMAN

ACTING ADVISER ON JEWISH AFFAIRS
TO US COMMANDS GERMANY AND AUSTRIA

HEIDELBERG, GERMANY

JANUARY 30, 1950

328137

This photocopy may not be further reproduced
or distributed without the specific authori-

HOOPER INSTITUTION
ON WAR, REVOLUTION AND PEACE



NOTICE: THIS MATERIAL MAY
BE PROTECTED BY COPYRIGHT

Restitution - Germany

(1) Request for repeal of zonal laws.

It was inevitable that sooner or later the dormant hostility to the zonal restitution laws would come to the surface. The first serious sign of this hostility appeared on November 4, 1949, when the Freie Demokratische Partei introduced a resolution in the Bundestag (Parliament) requesting permission of the occupation authorities to substitute a Federal restitution law for the zonal laws and to hold all restitution cases in abeyance, pending the adoption of such a law.

In presenting the resolution the party spokesman urged that it was imperative to have uniformity throughout Western Germany in the field of restitution. Actually, uniformity has, in a large measure, already been achieved. The restitution laws in effect in the US Zone, in the British Zone and in the Western sectors of Berlin are virtually identical and the French authorities are reputed to be working on revisions of their zonal law to bring it in line with the others.

The resolution proved to be only a trial balloon and was not presented on the floor for debate. However, we felt that we could not ignore this maneuver; first, because to do so would encourage other parties to consolidate their strength in a drive to dilute the restitution laws (which is the real motive for the requested change); and, second, it was represented to us that the expectations on the part of potential restitutors that a watered-down law might pass was having a dampening effect on the amicable settlement of restitution claims.

I presented the matter to Mr. McCloy who readily agreed that the situation called for a declaration of policy on his part. On December 19 he announced through the press that no material changes in the restitution law were contemplated.

328138

This photocopy may not be further reproduced or distributed without the specific authori-

HOOVER INSTITUTION
ON WAR, REVOLUTION AND PEACE



NOTICE: THIS MATERIAL MAY BE PROTECTED BY COPYRIGHT

(2) Administrative changes in restitution.

To replace the Board of Review which had been established as the court of last resort under the restitution law, and which was recently abolished, a restitution panel has been set up in the US Zone. The panel consists of one member of the present United States Court of Appeals for Germany and one former member of the Board of Review. I am reliably informed that the general attitudes of these men towards the problem of restitution are very healthy.

In line with his determination to prevent the restitution law from bogging down because of delays in litigation, Mr. McCloy appointed in December a court expeditor as a member of his legal staff, whose sole function it will be to follow the progress of restitution cases through the courts and to make recommendations to speed up their final disposition.

f. Restitution - Austria

(1) Proposed amendment of the Third Restitution Law

In Austria the restitution picture has worsened. There had been mounting opposition to Austria's basic restitution law (the Third) and it was a foregone conclusion that a victory for the extreme right wing in the October elections would be followed by parliamentary action to weaken the law in favor of the present holders of Aryanized property. The victorious neo-Nazi Independent party apparently considered it politically inexpedient to take the initiative in this field. However, the right wing "boys" of the Volkspartei lost no time to propose a number of amendments which strike at the very roots of the Austrian restitution law.

In essence, the law as it stands today provides for the return of property transferred by a persecutee during the period of the Anschluss, except in those cases where the Aryanizer can affirmatively show that the transaction would have taken place in the absence of National Socialism. The proposed amendments would replace the legal presumption of confiscation by the

328139

(over)

This photocopy may not be further reproduced or distributed without the specific authori-

HOOVER INSTITUTION
ON WAR, REVOLUTION AND PEACE



NOTICE: THIS MATERIAL MAY BE PROTECTED BY COPYRIGHT

rule that restitution is mandatory only in cases where the price was inadequate or where the seller was not free to select his purchaser; would require the return of the purchase price irrespective of the seller's power of disposition over the proceeds of the sale; would dispense with the provision that one of the assessors in the Restitution Chambers must be a member of a persecutee class; and would permit the review of all adjudicated cases in the light of the law as amended. Experts who work in the field of restitution in Austria maintain that the adoption of these amendments would be tantamount to a repeal of the Third Restitution Law.

In the meantime the Austrian press has thrown its full weight behind the proposed amendments. The effect of the mere introduction of the measure has already been felt by those who have reacquired their property. They complain that they find it difficult to resell it because of the existing threat that title of the property may, if the amendments are adopted, revert to the former owners.

In connection with this subject it should be noted that if the Austrian parliament passes these amendments they will become law unless the occupying powers unanimously disapprove them. The implications of this are clear. Every effort must be made that US Element in Austria exert its influence to have these amendments withdrawn. There is every reason to believe that if they are put to a vote they will be adopted and ultimately ratified.

(2) Disposition of heirless property.

No progress has been made in the creation of an heirless property fund. The most recent "wrinkle" of the Austrian authorities seems to be that since the proposed treaty with Austria deals with this subject they are compelled to wait until the treaty is adopted. Their so-called conscience would trouble them, they say, if they did anything inconsistent with the treaty provisions.

328140

This photocopy may not be further reproduced or distributed without the specific authori-

HOOVER INSTITUTION
ON WAR, REVOLUTION AND PEACE



NOTICE: THIS MATERIAL MAY BE PROTECTED BY COPYRIGHT

g. Equalization of War Burdens

Although there has been no recent developments on the issue presented by the Equalization of Burdens Law, I want to mention the subject in connection with my last conference with Mr. McCloy. On that occasion I submitted for his approval a draft copy of my proposed report to the Department of the Army. In it I took cognizance of the principal objection to exempting the property of persecutees from the provisions of the law; namely, that the term "persecutee" is too elastic to admit of exact definition. I suggested that this administrative obstacle could be surmounted by adopting the formula that only property which is restituted shall enjoy the exemption. I submitted that in such cases the persecutee status of the claimant is always in issue and is formally adjudicated.

While Mr. McCloy made no affirmative comment on this phase of the report, he voiced no objection. I am inclined to believe that Mr. McCloy's views on this matter are sympathetic and that given some encouragement from the States, he would settle the issue satisfactorily.

h. Adenauer and Heuss Interviews

In one of his early conferences with Mr. McCloy, Mr. Greenstein underscored a basic reality, about post-war German leadership, when he directed Mr. McCloy's attention to the fact that no German leader had apparently considered it politically profitable to openly disavow Nazism. Mr. Greenstein suggested that disappointment on this score might be communicated to the leaders of the West German Republic. This suggestion resulted in the statements (reported in Mr. Greenstein's final report) issued by Chancellor Adenauer and President Heuss on the eve of last Rosh Hashana.

The latter part of November, Karl Marx, the editor of Juedisches Gemeindeblatt Allgemeine, interviewed Chancellor Adenauer on his attitude towards the Jews. I presume that the press in the States gave the full inter-

(over)

328141



This photocopy may not be further reproduced or distributed without the specific authori-

HOOVER INSTITUTION
ON WAR, REVOLUTION AND...



NOTICE: THIS MATERIAL...

MINUTES

JRSO EXECUTIVE COMMITTEE MEETING

June 4, 1952

Present: Mr. David Glickman
Mr. Moses A. Leavitt
Dr. Isaac Lewin
Dr. Nehemiah Robinson
Prof. Nathan Stein
Mr. Saul Kagan - Secretary

Dr. Eugene Hevesi

1) Bulk Settlement - Bavaria

The first item on the agenda involved the proposed bulk settlement with Land Bavaria, the terms of which have been set out in the memorandum to the Executive Committee of May 27th, copy of which is attached. Mr. Leavitt pointed out that we had been negotiating that settlement for a long time. The end result is a compromise, not completely satisfactory but the best obtainable. The JRSO would get 19 million DM net. Furthermore, certain categories of claims would not be turned over under the settlement.

Mr. Kagan explained the types of property that were here involved, i.e. real estate, claims against pawnshops, claims for bank accounts and securities, movables, etc. Mr. Leavitt asked how much the JRSO had already received in Bavaria, outside of the bulk settlement. Mr. Kagan stated that we had recovered 7 million DM in cash and receivables, plus real estate amounting in value to about 3/4 of a million. Mr. Leavitt asked whether this sum was over and above the 19 million which we would get from the bulk settlement. Mr. Kagan replied that most of it would be. He did not have a further breakdown of the figures at hand, but he explained that any monies received by the JRSO from settlements after April 15, 1951 (which was the day the JRSO submitted its lists to the Bavarians) would be credited to Bavaria. This was separate from the allowance of 1 million DM for deductions. The latter applied to such situations as duplicate claims, improperly filed claims, etc. As regards deductions for settlements reached after April 15, 1951, Mr. Kagan stated that although he did not have the precise figures, he believed that it would be in the neighborhood of 2 million DM.

Dr. Lewin asked how the figures of the settlement were arrived at. Mr. Kagan explained that, in computing the JRSO demand, the claims were broken down into categories, and different demands were made for the various categories, based on the reasonable expectation of recovery outside of bulk settlement. One category involves transactions which took place before the enactment of the Nuernberg laws (1935). Such cases are legally weak and the recovery in such instances is usually between 15-18%. The nominal value of this category in Bavaria was about 7 million DM, and

/over/

328142

the JRSO demand was 20%. Another category was post-1935 cases where an individual appeared as restitutor. In these cases the average settlement was higher, and the JRSO demanded 45% - the same as in Hesse. The nominal value of these cases on hand was about 15 million DM. About 4 million DM worth of claims constituted real estate confiscated by the Reich, and in this instance the JRSO demanded 100%. Further there is the property of dissolved associations, not claimed at the present by any of the new Gemeinden. The value of this category was 1.3 million, and it was felt that here too the litigation risk was small and 100% was asked for.

With reference to the claims against the municipal pawnshops, we demanded ten times the amount which was paid out by the pawnshops at the time of confiscation of the valuables. On the basis of available records, we demanded 7 million DM for that category of claims.

The JRSO demanded 1½ million marks for securities and bank accounts which were acquired directly by banks in Bavaria. A further 2 million marks was asked for small businesses and movables. The amounts demanded for securities, bank accounts, businesses and movables were based on estimates rather than on documentary material, which in most instances was lacking. ✓

The total value of claims subject to turnover to Bavaria amounts to about 25 million. After very protracted negotiations, in a very hostile atmosphere, it was possible to obtain a settlement on the basis of 20 million DM. Very strong resistance was offered by the Bavarians all along the line. There were several crises and Mr. McCloy's assistance had to be enlisted a number of times. Mr. Ferencz now feels very strongly, and Mr. Kagan could support him on the basis of his own experience, that this is the best offer obtainable in Bavaria and should be accepted. Mr. Leavitt pointed out that this was the last Land with whom no settlement had yet been reached and it was therefore important to settle.

Mr. Glickman noted that claims against the Reich had not been included in the bulk settlement. Mr. Kagan explained that the bulk of the claims subject to turnover to Bavaria involve property which can be restituted in natura or where the restitutor actually resides in Bavaria. He pointed out that the claims against the Reich concern assets confiscated by the Reich which could no longer be restituted in any form.

Dr. Robinson inquired how it was possible to settle pawnshop claims with Bavaria and still retain them as a claim against the Reich. Mr. Kagan pointed out that there was indeed a distinction which the JRSO had attempted to make. It appears that objects in excess of a certain value had been delivered to the Reich, and the claim for them would have to be directed against the Reich. Other objects were retained by the municipal pawnshops. Dr. Robinson was somewhat disturbed about the difficulties which would arise in connection with actually pressing the claims against the Reich, most of which would be very difficult to substantiate.

A vote was taken, unanimously approving the bulk settlement with Bavaria. Mr. Kagan stated that Mr. Boukstein had requested that his vote also be recorded in favor of the motion.

328143

Bawon Papers
Box 44
Folder 2

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

3 East 54th Street

New York 22, N. Y.

A N N U A L R E P O R T

November 1, 1955 - October 31, 1956

*

328144

payments of a property levy which constitutes the principal measure under the Law for equalization of Germany's war burdens. The German authorities insist, however, on the application of a levy equal to 9/10 of the value of mortgages resting upon JRSO properties on the date of German currency conversion (June 21, 1948). The proceeds from this levy (Hypothekengewinnabgabe) are also intended for the Equalization of War Burdens Fund. The JRSO protested against it on the basic premise that heirless Jewish property should not be depleted to alleviate the consequences of the Nazi war upon Germany. The matter has been referred by the Federal Finance Ministry for a ruling to the Federal Tax Court. The decision in this matter is of considerable financial importance to the JRSO as it could not sell properties for an adequate price without assuming a contingent liability to free the purchaser from the mortgage levy.

4. Exclusion of JRSO from War Damage and Bank Account

Conversion Benefits - Under the relevant German statutes legal entities cannot be claimants for war damage. The request of the JRSO to be vested with those claims at least in cases where the successor organization stands in the shoes of former individual owners is under renewed consideration by the German authorities.

A similar problem exists with regard to rather substantial claims under the legislation which allows a rate of conversion on pre-war individual bank accounts more favorable than the rate established by the Currency Reform legislation of 1948 (Altsparengesetz).

5. Special Claims Against the Reich

JRSO has filed claims for certain security and banking accounts of considerable value confiscated by the Third Reich in occupied German territory regarding which the German government have so far denied the right of title to JRSO. A compromise is aimed at in the negotiations pending with the Federal Ministry of Finance so that protracted court proceedings be avoided in this very complex issue.

VII. Jewish Heirless Property in the United States

By August 23, 1955, the filing deadline under Public Law 626, the JRSO had filed in excess of 8,000 claims. After careful examination of the claims filed, and the consolidation of duplicatory claims, this number was reduced to 6,683 claims, which were officially registered with the Office of Alien Property.

The JRSO was next confronted with the problem of proving its title to the various claims, by establishing that the former owners had been Jewish and ^{heirs} were not surviving, as well as to determine the value of the various claims filed. Unfortunately, it was not possible, prior to the expiration of the filing deadline, to obtain from the O.A.P. permission to examine O.A.P. files and records in order to select accounts of undisputed Jewish ownership.

328145

It is most regrettable that OAP interpreted the intent of Congress and the President in a narrow fashion and made the filing of claims dependent simply upon an informed guess as to the presumed origin of an account holder whose name appeared on the index of the OAP. It has subsequently turned out that notwithstanding earlier advice from the OAP that there were no claims in conflict with thousands filed by the JRSO, a large percentage of the 6,683 JRSO claims was in fact nullified because there was either a conflicting claim or it was known that an heir survived. The OAP selected for special analysis a number of claims involving assets of \$500 each and over. It reported that it was prepared to recognize only 15 claims as affirmatively involving heirless Jewish property. In another 793 cases there was no information concerning the persons whose property was vested. In all but these two categories of 808 cases favorable action on the JRSO claims appeared completely ruled out by the OAP. The 808 cases involved assets worth approximately \$866,000.

The OAP thereupon referred the list of 808 cases to its overseas section in Germany with instructions to attempt to determine whether the owners could be traced, and if so, whether they were persecutees. About half of these cases originated in Western Germany and an investigation with regard to 300 of them have been completed. In the case of about 200 accounts the former owner or his heir were found alive.

The JRSO itself at one time attempted through its office in Germany to obtain information on the Jewishness of a number of the claimants. The results were largely negative, largely because of the special difficulties arising from the destruction records in Germany.

It should be pointed out, however, that the 808 cases mentioned above do not by any means constitute the only assets in which the JRSO may have an interest. There are a number of specialized problems which require special handling. This includes such matters as the so-called "omnibus claims", which are collective accounts in the names of various European banks which in fact concealed the identity of the actual owners. This was a practice not uncommon in Europe just before the war, and it is known that many Jews utilized this channel to save their assets from seizure by the Nazis. Many of them have not survived and the JRSO would be entitled to such assets. Moreover, in an unknown number of claims where there may be a conflicting claim, resolution of the conflict may well be in favor of the JRSO. This, for example, applies to such claims as those where the State of California is officially the claimant. Another special case involves assets in the so-called "von Clemm" case. Here the JRSO claims over 300 thousand dollars which are the proceeds from the sale of diamonds originally vested by the OAP on the grounds that Mr. von Clemm, who imported the stones into the United States, was an agent of Nazi Germany. An examination of the record of the OAP hearings in this case indicates that the diamonds in question had been confiscated from Jewish owners, removed from their original setting and transferred for sale to the United States. The JRSO has filed briefs claiming as successor to the Jewish victims.

All of the above has further emphasized the need to effect a bulk settlement of these claims, if the JRSO is to make any meaningful recoveries in this connection. Appropriate legislation, authorizing the conclusion of such a bulk settlement, was introduced in the last session

of Congress, but was not passed before the adjournment. Steps will be taken as soon as Congress reconvenes in January to bring about the passage of such legislation as quickly as possible.

VIII. ALLOCATION AND UTILIZATION OF JRSO FUNDS

1. Schedule of Allocations

Since funds first became available for distribution, early in 1951, the JRSO has allocated or committed a total of DM 95,840,000 (\$22,819,000). Against these allocations, the sum of DM 80,431,397.27 was paid out by September 30, 1956. The first DM 55 million which became available were allocated to the Jewish Agency for Palestine and the American Joint Distribution Committee, in the ratio of 67% for the Jewish Agency and 33% to the AJDC, towards their programs for the benefit of victims of Nazi persecution.

In 1955 the JRSO Executive Committee committed for distribution an additional DM 20 million for the following programs on behalf of Nazi victims.

- a) DM 17,000,000 to the Jewish Agency and the AJDC, in the same ratio as heretofore.
- b) DM 2.2 million for projects sponsored by the Council of Jews from Germany.
- c) DM 800,000 for religious projects in Israel.

In June 1956 the JRSO Executive Committee committed for distribution an additional DM 20 million which are expected to become available during the second half of 1956 and 1957. The basic formula for distribution outlined above was retained.

In addition to the basic commitments described above, the JRSO approved in October 1953 a special allocation of \$200,000 towards programs for the aged carried on by Help and Reconstruction in New York City.

2. Utilization of Funds

Attached to this report are detailed statements by the Jewish Agency and the American Joint Distribution Committee on the utilization of the funds received by them from the JRSO during the years 1949 - 1955.

Special projects for assistance to Nazi victims are being developed by agencies associated with the Council of Jews from Germany. Thus far the following funds were released for projects presented by the Council of Jews from Germany.

- a) DM 263,000 (\$62,619) for special grants to needy Nazi victims in the United States. These funds have been utilized for assistance to ambulatory aged refugees.

328147

Paris

April 7, 1948

Mr. Meir Grossman,
Director of Department of Overseas Relations,
American Jewish Conference
521 Fifth Avenue,
New York 17, New York

For transmission to: American Jewish Conference
Jewish Agency for Palestine
American Joint Distribution Committee
American Jewish Committee
World Jewish Congress

My dear Mr. Grossman,

I am enclosing my second report for consideration by the cooperating agencies; In addition to my report, I have included a substantial number of attachments dealing with my memorandum to General Keyes in Austria, the Raid on the Assembly Center at Eschwege, and the one at Zeilsheim, my rather lengthy memorandum of February 25th to General Clay on the Rumanian infiltration and his reply to me, dated March 2nd, a memorandum on the deposit of foreign currency assets by DP's, a press release which was used as a basis for a press conference at Frankfurt on Wednesday, April 2nd, and a copy of my talk before the third Congress of the Central Committee at Bad Reichenau. In addition, I am taking the liberty of sending you the minutes of the meeting of the agencies which met in my office on March 15th. These minutes have not been carefully edited and should of course, together with all of this material, be considered confidential.

With warmest regards.

William Haber
Adviser on Jewish Affairs

WH/Y

328148

April 1, 1948

Mr. Meir Grossman
Director of Department of Overseas Relations
American Jewish Conference
521 Fifth Avenue
New York 17, New York

For transmission to: American Jewish Conference
Jewish Agency for Palestine
American Joint Distribution Committee
American Jewish Committee
World Jewish Congress

My dear Mr. Grossman:

My first report to the cooperating agencies was sent on February 24th, over a month ago. Since that time, what has happened at Lake Success, in Washington and in Palestine, has been much more significant than what has occurred here. These events have had a devastating effect upon the morale of the Jewish DPs in Germany and Austria. If it should develop that their effect is to postpone large-scale migration for an indefinite period, it may be necessary for all of us to reappraise the programs now operating here and to determine whether their basic character and major emphasis need to be changed.

In this, my second report, I wish to call attention to the major events which have occurred here to indicate the trends and special issues, as I see them, and what might be done about them here and in the States.

1. The Situation in General

Since my last report, I have visited the two camps in Berlin, some of the camps around Munich and Stuttgart and, also, in the Salzburg and Linz areas in Austria. I have also had a long session with the Central Committee in Munich, with several camp committees during my field visits, and with the heads of all of the agencies working with Jewish DPs. In addition, I have conferred with members of the military staffs, particularly with Generals Collins and Haynes in Salzburg and Linz, respectively, with General Funk in Stuttgart, and I have had regular sessions with Generals Clay, Huebner, and Harrold in Frankfurt. I have, in addition, conferred with the Military Governors Van Wagoner of Bavaria in Munich, Newman of Hesse in Wiesbaden, and LaFollette of Wuerttemberg-Baden in Stuttgart.

The impressions which result from the conferences with the military people can readily be summarized. From now on the issues affecting Jewish DPs are not likely to be made on their merits. Other considerations, such as the cold war between the United States and the East, the plan to enlarge the scope of German governmental authority, the revival of the German and Austrian economy and similar objectives will materially influence the decisions affecting the DPs in Germany. I learn from highest authority of the very real probability that a western German state may be set up before the end of the year. Such a state will, inevitably have greater autonomy, even though occupied, and the demand for German administration over DPs will certainly be pressed more vigorously than heretofore. Even without such an eventuality, there is already substantial evidence that the sympathetic, and at times generous, attitude on the part of the Military Government and European Command has already been replaced by a firmer and colder approach. For example, when during a conference with one of our highest officials, I referred to the fact that I have

328149

been disturbed to discover that military people in the field consider the DPs a nuisance and an interference with the more important work of the occupation authorities, the official replied that my observation was not only correct, but I should not confine it to the military folks in the field. "In fact, this is our attitude from top to bottom. The people have been here a long time, and we are tired of them." I did point out that he was guilty of a common psychological pitfall and that, instead of resenting the hard-boiled and calloused world which has prevented the people from leaving here, he was expressing his anger at the people for still being around.

Nevertheless, what this top general said happens to be tragically true and explains the actions one finds in his day to day experiences with the lower echelons.

This situation, coupled with events in Palestine and Lake Success, explains why the morale of the DP camps is exceedingly low. The physical conditions of life, measured in terms of housing and the quality and quantity of food, has steadily improved. It has, perhaps, not been better at any time since liberation. The deterioration which has taken place is psychological. The people feel trapped. The United States proposal to repudiate partition, coupled with the talk of another war, and the effects of these two developments upon the outlook for emigration have combined to impress upon the leaders and the masses the tragic fact that their stay in Germany is not likely to come to an end this year or next. The prospects of war, particularly, are responsible for a depression of spirit, difficult to exaggerate. Many expressed themselves in the most despairing terms, indicating that those few who escaped the last holocaust will be finished in the one which they consider just around the corner. This feeling of an ominous situation obviously influences their day to day activities and complicates any program for constructive work.

Particularly significant is the impression, generally prevailing among the military and the agencies, that the number of Jewish DPs twelve months hence will be substantially as large as the present number. This conclusion does not rule out some emigration to the United States, to Palestine and, perhaps, in small numbers, to some other countries. It is assumed, however, that the volume will be relatively small and, when considered in relation to the birth rate in the Jewish DP camps and to the present and prospective infiltration (from Roumania, Hungary and Czechoslovakia), the total Jewish population in Germany will not be reduced. If this conclusion is based on accurate assumptions, then it behooves the agencies to carefully review the programs in operation and to plan in terms other than transitional activities.

2. Conference of Jewish Agencies

On March 15th I assembled in my office the directors of all of the Jewish agencies operating in Germany - the JAFP, AJDC, HIAS, ORT, VAAD HATZALA, together with the Central Committee of Liberated Jews and Dr. Auerbach, Staatskommissar for Bavaria. The purpose of this meeting was to survey the present situation, to seek a common understanding of the underlying problems and the outlook and, if possible, to develop, in an informal manner, some coordination of the activities of the several agencies. If the meeting took a constructive turn, I was prepared to consider this an advisory group to be consulted about the more significant policy problems which come to my attention.

The agenda called for an indication by each agency head of what he considered to be the most important problem facing the Jewish DP in the months immediately ahead, a review of the outlook for emigration, advice as to the position to be taken with regard to the then proposed transfer of responsibility from the military to the State Department, and a discussion of pressing current issues in the camps. Among these, reference was made to (a) the black market, (b) the employment of Germans in Jewish

DP camps, (c) the threatened strike of Jewish DP police, (d) the increasing number of search and seizure raids by the Constabulary, (e) the law for the deposit of foreign exchange by the DPs, (f) press relations, and (g) methods of increasing the employment of DPs.

The meeting lasted an entire day and evening and, in my judgment, was exceedingly worthwhile and constructive. I am happy to report that the agency heads saw the issues in large terms and did not confine their discussion to the organizational interests they happen to represent.

It was the consensus of the group that:

- a. there is an indispensable need for coordinating the work of all the Jewish organizations serving the DPs and that overlapping and duplication of functions should be removed;
- b. my office ought to take the initiative to improve relations with the press; that there are too many organizations that seem to speak for the DPs; and that the DPs suffer because the problems are inadequately or improperly interpreted. They urged that a press officer be attached to my office;
- c. aggressive action was needed to overcome lethargy and apathy prevailing in the camps;
- d. more effort should be concentrated on the rehabilitation program for the large number of unemployable or semi-employable DPs, or those whose physical deficiencies will block their emigration;
- e. bold efforts needed to be made to re-win the goodwill of the Army;
- f. employment and training projects occupy too many young and able-bodied men who are much more needed in Haganah and that such projects ought to be reviewed with that objective in mind;
- g. a more realistic interpretation of the Palestine program among the DPs should be fostered to overcome the romantic view which, until now, has been emphasized and to familiarize them with the type of life that awaits the DPs in Palestine.

There was a full review of these propositions and substantial agreement as to their implications. I should report to you that I found this conference of very real value to me, personally, for it not only established a close working relationship between the agencies and me, but also provided me with guidance concerning the representations I should make with respect to many aspects of the programs. I propose to continue such conferences periodically, and I am sure that, apart from specific issues which we shall review, the bi-product will be better coordination and a closer working together among the agencies.

3. Improvement of Press Relations

The press situation in respect to Jewish DPs is exceedingly bad. There is seldom a reference to the constructive activities in the camps. That is not news. But there is much news about black market, raids, arrests, prosecutions, and the like. This situation is contributing materially to the anti-Jewish DP attitude generally prevailing among military and civilian personnel.

328151

Something can be done to deal with this situation. I conferred with the editor of "Stars and Stripes" and found him quite sympathetic, but with the view that the initiative to improve the situation must be taken by us. He agreed, for example, to assign a friendly reporter to accompany me on certain field trips where the more wholesome and constructive life of the DPs could be seen. He agreed, further, to publicize in "Stars and Stripes", and their weekly supplement, information concerning the adjustment of DPs who have emigrated to the United States. The United Service for New Americans, Inc., have already provided me with excellent information concerning such adjustment. This will shortly appear in the English press here. What is needed, however, is someone who is devoting himself to the matter of press relations. Major Hyman and I are on the alert for such developments but are far too occupied to take advantage of all the opportunities for favorable publicity, or to correct unfavorable reports.

A good illustration of this problem occurred the other day. The March 28th issue of "Troop Information and Education Bulletin", an official publication of the Army and heavily relied upon for troop orientation purposes, carried a story, entitled "Anything to Sell". That story describes how the Soviet Union acquires "hard money". It describes restaurant and hotel services in the Soviet Zone, in which payment only in American dollars or other sound foreign currency is accepted. Then the item proceeds with the following, which I am quoting:

"Their greatest source of dollars has been from individuals who, throughout Europe, make a business of "buying" American dollars which they sell to the Soviets at a profit. The Joint Distribution Committee in Paris imports huge sums of American dollars each month."

The article, after describing how an individual sells his dollars to the Russians, continues with the following devastating paragraph:

"If the individual is working for an organization, instead of himself, it is possible that the Soviets pay for his dollars with arms and ammunition instead of marks. This armament is then absorbed into whatever revolutionary movement the group happens to be interested in."

JDC was properly exercised about this piece in an official Army publication. Its potential consequences are serious. A colonel, who is in charge of this publication, defended the piece by insisting that the only reference to JDC, namely that it imports huge sums of "money", is correct and has been "fully checked". That is obviously true. I had to convince him, however, that the implication of the story, since JDC is the only organization named, does lead to the conclusion that the money it imports gets to the Russians and that the Russians pay in arms and ammunition for subversive purposes.

I am pleased to report that, during the same day that the matter was called to our attention by the JDC, a cablegram from the colonel in charge was sent to all agencies and departments receiving this publication, explaining that no inference is to be drawn from the reference to the JDC in that article, that other organizations, Jewish and non-Jewish, also import substantial amounts of dollars; and that it is not intended to suggest that such sums are designed for the purposes referred to in the article. In addition, the next issue of the "Bulletin" will contain a full explanation of its operations. I have asked the JDC to prepare it, and I am sure that it will be printed.

4. Continuation of Army Control After July

Before the White House announced the withdrawal of the plan to transfer the occupation responsibility to the State Department, I reviewed the implications for Jewish

DPs. I conferred with Assistant Secretary of State, Charles Saltzman, who was in Germany, and with other representatives of War and State sent here to develop the administrative organization. The Jewish agencies which met with me on March 15th reached the unanimous conclusion that the Adviser should urge the continuance of Army Control over DP operations. The group felt that, even though the Army is tough and less friendly than a year ago, it has learned a great deal and is generally more sympathetic than Military Government. The White House announcement that the State Department is not coming over left the problem as at present. I am pleased with this development, although I should point out that it does not indicate any slowing down of the trend to transfer increasing administrative responsibility to German officials.

5. Proposed Jewish Labor Battalions

General Huebner, in a conference with me and General Harrold on Friday, March 26, advised us that he wishes to organize a labor battalion composed of Jewish DPs working in the building crafts and related occupations. Some three thousand non-Jewish DPs are at present organized in so-called labor companies. They work exclusively for the U.S. Army, are billeted and messed together, and are paid, in addition to such compensation in marks as is customary for such work, five dollars per month in military scrip, with the privilege to buy in PX stores up to the amount of such scrip. General Huebner indicated that, since the Jewish DPs are likely to be here for a long time, we had to find ways and means for increasing employment for them. The Army needs help in construction and building repair, and he wishes me to explore whether a beginning can be made with a company of two hundred such workers from Jewish DP camps.

Frankly, I think the idea is excellent. It would provide an opportunity for experience and training for a considerable number of Jewish workmen in the building craft. Since that represents a real labor shortage in Palestine, this would be a very constructive program. The matter is to be studied by General Harrold's staff, and he asked me not to discuss it with the Jewish organizations until such studies are completed. I mention it to you for two reasons:

1. This proposal in itself suggests that it may be time for us to review the attitude of the Jewish DPs toward working in the German economy. This work, to be sure, will be for the Army, but, while they work for the Army, they will be building warehouses, repairing buildings, maintaining grounds and, in other ways, improving property. As a result, there will be, in my judgment, considerable resistance to this proposal. If it should fail—that is, if it should be discovered that two hundred people are not available for an initial work group — the result would be most unfortunate. I fear it would have an extremely bad effect upon the Army leadership and upon the public, generally, when it becomes known.

2. I should tell you that I am exceedingly sceptical as to whether it will succeed. People in the camps do not want to take manual labor jobs. Those who would be asked to volunteer for such a company would, in fact, be asked to separate themselves from the camp community and from such personal and "business" relationships, as they may have established. In addition, Jewish DPs are not interested in being paid in marks. Two packages of cigarettes, which are not difficult to procure, since the JDC supplementation is partly in that form, will sell for somewhat more than the total sum of marks earned per month by the average German worker.

I shall follow up this development and review it with the agencies. I report it to you as illustrative of the general trend to which I referred above.

328153

6. Results of the Camp Elections

You will be interested in the results of the elections held in the camps last month for the Congress of the Central Committee of Liberated Jews. A total of 61,415 participated in the elections. In our judgment, this represents about 90% of those who are eligible to vote; namely, men and women of 18 years and over. (The Central Committee indicates to me that this represents only 65% of those eligible to vote. They tend to overstate the number of Jewish DPs in the camps.) The table below indicates the numerical strength of the several parties as represented by the votes cast:

Mizrachi	5,773	9%
General Zionists	5,921	10%
Agudath Israel	6,176	10%
Revisionists	12,999	21%
Mapai	11,891	20%
Labor Group	<u>18,655</u>	30%
	61,415	

I am advised that the campaigning this year was more intense. There was much more interest shown in this year's elections. Both the right and the left made substantial gains. The table above was prepared for General Harrold of the Civil Affairs Division. I should indicate to you that the classification of Labor Group includes, of course, the several splinters of the extreme left, such as Hashomer Hatzair and Poalei Cion (O.S.).

7. Registration for Palestine Immigration

The Jewish Agency for Palestine has been conducting in the camps in Germany and Austria a zone-wide registration for immigration to Palestine. I do not have the results of the registration in sufficient detail. It is, in fact, being completed now. While I have not reviewed the results with the representatives of the Agency in Germany, it is my impression that the fighting in Palestine and the doubts about the United States position on support of partition, coupled with the relative sense of security and "business connections" which many of the DPs have established for themselves here, may compel us to revise our impressions as to the proportion of Jewish DPs who "intend" to go to Palestine. The issue is, of course, academic, and the actual test cannot be made until legal emigration becomes available. There are, nevertheless, "straws in the wind" which suggest that there is nothing static about the direction of emigration. Frankly, I have been told by responsible officials in the work here that, in spite of the hardships and the ominous outlook, many, perhaps a very large number of Jewish DPs, have accommodated themselves to the prevailing situation here and are not inclined to go to places where the risks are very great. This is a significant development only if actual emigration becomes possible, for it might indicate that the high hopes that the DPs already in Germany and Austria will be a source of substantial movement to Palestine may be misplaced. The Jews in Roumania, Hungary, and other places in the east may be a more likely source. I need not, at this time, elaborate the significance of these observations, should later developments prove them to be correct.

8. Special Problems

In this section I wish to call attention to several developments either in process or in the offing which are, in my judgment, significant and about which you should be posted.

- a. Deposits of Foreign Exchange. Between April 1st and 15th every DP is required to deposit all foreign exchange in his possession. The Military

328154

Government order provides that it shall be assumed that he came to such sums, as he brings in, legally. The money will be kept in an envelope, deposited in the German Land Bank, receipted for by Military Government, and returnable to the depositor within thirty days before he leaves the country or, at request, after he leaves the country. Military Government "guarantees" to return dollar for dollar, pound for pound, bullion for bullion, if the money should be stolen or burned while on deposit with the bank. After April 15th any DP found in possession of foreign currency will have it confiscated and be subject to fine and imprisonment for possessing it illegally.

I am in accord with the objectives of this law. This office has been consulted about it and our suggestions have been incorporated in its provisions. Foreign currency which the DP now possesses can be picked up in search and seizure raids and excessive amounts may subject him to prosecution for black market operations. This law makes it possible for him to legalize the holdings by the mere process of deposit. It would also take the sums out of the control of the DP and, to that extent, would reduce the available sums for black market operations.

Our first concern was that the effect of the law would indicate that Jewish DPs have deposited very huge sums. This, it was felt, would present a serious public relations risk. But I, nevertheless, continued to urge the law and its support by our people. No one knows how much is available for such deposit. I am told, however, that, while only a relatively small proportion of our people in the camps have funds - that is to say perhaps less than five to ten percent - the amount of such funds is quite substantial.

Our present concern is in the opposite direction. The Jewish DPs are very cold toward this law. In spite of our advice, many of them will not deposit such funds as they may have. They do not trust the German banks, even though they have a Military Government receipt. They have had tragic experiences with having their money taken away from them in slave labor camps and concentration camps. Many suspect that their money will, also, not be returned this time. Accordingly, they are willing to take the risk of fire, theft, raids, confiscation and jail. I am concerned, particularly, about the latter, for I fear that, after April 15th, many of our people found with foreign currency will lose whatever they possess and suffer imprisonment in addition. I plan to emphasize this hazard at the meeting of the Central Committee Congress in Bad Reichenhall.

b. Raids. My first report dealt with a raid at Heidenheim. Since then two large-scale "search and seizure operations" took place at the Jewish DP camps in Eschwege and Zeilsheim. The Eschwege raid involved the use of over one thousand troops. On the basis of reports we received from the camp committee, I sent Major Hyman to the scene within a few hours after the raid. His report, a copy of which I am attaching, was extremely critical of the conduct of the military. As you will note, he reported considerable damage to the offices of the committee, destruction of records, and cited other evidence of ruthless conduct. His report, which I transmitted to General Huebner, created quite a stir and led to an Inspector General's investigation of the entire incident. The military feel that our charges are too harsh and are now suggesting that some of the damage was deliberately done by our own people in order to discredit the military. The investigation is not completed, and we shall hear more about it.

The raid in Zeilsheim was of a different character. Here, also over a thousand soldiers were employed, and a considerable quantity of material for black

market activities and some foreign currency was found. The raid, however, was well conducted and not a single charge of abuse on the part of the troops has been cited. On the contrary, Major Hyman, who was present, wrote a report quite complimentary to the military for their conduct during the raid. A copy of our report on this raid, also, is attached.

These two incidents are in themselves not especially significant. As long as our people continue to engage in black market activities of one kind or another, raids will take place. There will be more of them, for the camp leaders and the Central Committee leaders do not wish to assume any responsibility for curtailing or controlling such activities on the part of the Jewish DPs. It has been my observation that the military is relatively uninterested in black market activities which are designed primarily to provide "Lebensmittel". Their main concern, it appears to me, arises from the fact that some camps are used as a base for large-scale black market activities. I have taken the position that the camp leadership and the Central Committee leadership must root out these activities or take the responsibility for such raids as take place. The raids are extremely costly to our people, for such few possessions as they accumulate are taken away from them, unless they can provide evidence that they have been legally acquired.

We are urging that, as a general policy, the military should make regular inspections of DP camps to discover illegal activities, to arrest and punish the individuals involved, but not to engage in wholesale raids which indict the entire community because of the flagrant violation of a handful of people. This recommendation will be prepared as soon as Major Hyman returns from Austria. I shall present it to General Clay and hope it will receive favorable consideration.

c. Search of Transports. You have inquired concerning reports that transports containing Jewish DPs, bound for ports of embarkation, were being stopped and personal baggage searched. These reports are correct. Representatives of CIC have entered railroad cars in Munich and Frankfurt, and German police have done so in other cities. We have made strong representations and have, in fact, pointed out that this is in violation of existing regulations. I am assured that this practice is already curtailed and clarifying instructions are being issued.

d. Eviction of Roumanians. Since my last report, the Army has carried out its plan to evict from the camps those who entered after April 21, 1947. Such evictions have been carried out in many areas, with some hardship in several places. The AJDC has done an excellent job in providing for those people and in accompanying them out of the camps to their new locations, as well as in other ways administering to their needs and morale. Many have already been moved, and about three thousand Jews are involved. I have already advised you of my discussion with General Clay on this subject, and you have a copy of his letter to me declining to reverse the implementation of this policy.

e. Czechoslovakian Infiltration. Earlier reports that we may expect from Czechoslovakia ten to twelve thousand Czechoslovakian Jews to infiltrate in the American Zone have not materialized. Several hundred have come in. They are not eligible for campcare and are assigned to German refugee centers, as in the case of the Roumanians. General Clay has made a public statement to the effect that people, fleeing Czechoslovakia, will find a haven in the American Zone. He has specifically indicated, however, that no new camps will be set up and that they are not admissible to existing camps. To the extent, therefore, that such infiltration is substantial, either from Czechoslovakia or elsewhere, the relief burden of the AJDC is bound to increase.

9. Developments in Austria

I have been to Austria since my last report and spent several days around Salzburg and Linz, visiting camps and conferring with military authorities. A summary of our problems there is contained in the two memorandums to General Keyes, both of which are attached.

You will see from these reports that the problem in Austria is considerably more difficult than that in Germany, particularly because the camps are exceedingly overcrowded and living conditions are far less favorable than here.

It is my conclusion, on the basis of the conferences which have been held, that the military is determined to close the camp at New Palestine and plans are under way to do so without too much consultation with me. I am officially advised that my recommendations concerning New Palestine will be given "very serious consideration." Nevertheless, the move is likely to get under way within a week or ten days.

10. Policy Issues and Suggestions

In this report, attention has been called to the major developments I have observed in the nine weeks since I arrived. I have checked my impressions with many people. Future events will have to determine whether they are entirely correct. On the assumption that I have accurately interpreted what is afoot in Germany, I wish to pose a number of issues which should be kept in mind. Some are already pressing current problems. Others will present themselves in the months ahead. Among these are the following:

a. To what extent should the programs, now in operation, be recast in the light of the present and prospective situations? Should the vocational training program, for example, be substantially expanded? Should the relief program be more specifically related to a "means test" than is true at the present time?

b. Should able-bodied people without other responsibility be required to work as a condition for receiving aid?

c. Should efforts be made to reverse the present attitude of Jewish DPs concerning work "in the German economy"? When the IRO appropriation is reduced or disappears altogether, or when AJDC funds are not as adequate as at present, this issue will become of crucial importance. I am convinced that the present attitude on this subject is partly "forced". There would be less aversion to working in the German economy if payment were in some medium other than German marks.

d. What position should we take, if it should be urged during the course of this year, that the camps should be closed altogether and the people live in the German communities? This is not a fantastic idea. While it is not proposed at this moment, I know that it is being considered and has the support of important individuals in the Civil Affairs Division. If emigration is slow, it may be formally considered. Are we to be against it?

e. Can anything be done in Washington to check the trend in expansion of German administrative control -- or in exempting DPs from such control? Should anything be done? I have reference to the demands of German authorities to permit German police to enter the camps. That can be resisted now. It will be more difficult to resist it later.

f. What should be done to deal with anti-Semitism in Germany? Most observers agree that the situation is far more serious than at any time since the end of the

war. I am also told that the German labor unions, strong opponents of anti-Semitic agitation in the pre-Hitler period, do not represent such a bulwark today. On the contrary, German trade union members are more anti-Semitic than was true even during the Nazi regime. I cannot check these observations, but there is substantial evidence of increasing anti-Semitism everywhere. Should anything be done to aid liberal groups who wish to organize for the purpose of preaching tolerance, fighting anti-Semitism and, in other ways, bringing to the attention of the German people literature, films and other material that would increase their effectiveness as a democratic force?

I can assure you that I am, personally, giving serious consideration to these issues and, needless to say, I have some views as to what our course ought to be. These views will be transmitted at a later time when the situation develops when the problems are more clearly discernable,

In submitting these issues to the Committee, it is not my intention that the Committee reach a conclusion with respect to the several problems presented. Some of these problems obviously fall exclusively within the purview of one or another of the cooperating organizations. I merely indicate them in question form in order to suggest the nature of the developing problems and the policy issues which follow therefrom.

My immediate suggestions are the following:

1. Can a person, to aid in press relations, be made available? He will have to be hired by one of the cooperating agencies and he will have to be placed on the staff of an organization now authorized to work in Germany. I can use such a person on a part or fulltime basis.

2. Can the Committee agree that it would be desirable to undertake some work designed to deal with anti-Semitism in Germany? Should a person be made available to work on this problem? Or should a team of two or three survey the situation in order to agree on the kind of program that may be helpful? If the latter, such a group selected on some basis agreeable to the Committee could properly devote thirty to sixty days and advise not only on the problem of anti-Semitism, but perhaps with regard to some of the other issues listed in this report. I have no suggestions as to the method of selecting the group, nor do I have any specific names in mind.

This is not a report of day to day activities of the Adviser's Office. That would, in itself, be an interesting record. It is, rather, a report of observations or impressions, problems and issues. I shall be very much disappointed if it is not acknowledged either by each of the cooperating agencies or by the Committee as a group. If there is any value in sending it, it should be a two-way affair. I want to know your reactions to these comments and observations and your criticisms and suggestions, as well.

With warmest greetings to all,

Cordially yours,
WILLIAM HABER
Adviser on Jewish Affairs

WH/mf
Encls.

d. The outlook of immigration to Palestine is quite uncertain at this writing. The confused political situation is, no doubt, going to affect the amount and the timing of legal immigration of Jewish DPs to the Holy Land. It can be indicated, however, that there will be a substantial expansion of unofficial immigration to Palestine beginning in May. While the number is not definitely determinable, the Austrian camps will, no doubt, participate in this movement.

I again want to express my appreciation for the courtesy with which your officers received me and for their efficiency in handling my itinerary.

Cordially yours,

WILLIAM HABER
Adviser on Jewish Affairs

WH/eh
APO 757, U.S. Army

29 March 1948

MEMORANDUM FOR DISSEMINATION TO DISPLACED PERSONS

SUBJECT: Deposit of Foreign Currency Assets by Displaced Persons

With reference to the program of Military Government to authorize displaced persons in the US Zone of Germany to deposit with the German Central Land Bank under control of Military Government such foreign currency as they have in their possession, a plan has been devised whereby those persons residing in assembly centers will be given the opportunity on a specified date and time to turn their currency assets over to a team consisting of representatives of the Army, Military Government and the German bank. Those persons residing outside of camps have the same privilege, with the exception that they will make their deposits personally at the nearest Central Land Bank. This plan to legalize the monetary assets of displaced persons and to protect them against confiscation has the full concurrence of PCIRO and voluntary agencies connected with displaced persons as well as the personal endorsement of Dr. Haber, Advisor to General Clay on Jewish Affairs.

As many questions have been presented by displaced persons concerning this project, the most pertinent of these queries and official answers are presented here to insure full understanding of the program.

"What does the displaced person gain by making this deposit?" By depositing during the amnesty period of 1 April to 15 April he will be insured security and safeguarding of his assets during his stay in Germany and the return to him of those assets on his departure. On the other hand, if the deposit is not made prior to 15 April, 1948, he is subject to prosecution and confiscation of all foreign currency found in his possession. After 15 April no displaced person who has made a deposit will be allowed to make another deposit for any reason, as the possession of and transactions in, such currency will be illegal after that date.

328159

"What will happen to the assets if the bank burns down or if the money is stolen?" The answer is that the assets will be refunded upon proper application to Military Government. The German Government will not have use of the monies deposited as each bill will be registered by number and the individual making the deposit will receive the identical bill or other valuables from his personal storage envelope on the date he is authorized to repossess such items.

"Is it possible to make deposits after 15 April 1948?" No, except in the rare instances of new arrivals being authorized displaced persons care. Such persons must personally make deposits within 72 hours of their arrival, to the nearest Central Land Bank. It is emphasized that a displaced person once having made a deposit will not be able to make a second deposit even if funds are received from outside the US Zone or from other countries by mail, as this in itself is illegal.

"Is it possible for a person other than the one who made the deposit to withdraw all or any part of the deposit?" No, it is not possible for anyone to claim the deposit of another, except in the event of the death of the individual who made the deposit. In such cases, the person whom the deceased had named as beneficiary would have the privileges which were originally the deceased's.

"If a person leaves the US Zone for any reason without the knowledge of the authorities, will he lose the deposit?" Provision is made whereby upon the arrival in the new country the deposit will be shipped to the individual by Military Government.

"Is it possible to make partial withdrawals and leave the remainder in the bank?" It is possible to make a withdrawal at the authorized time (30 days prior to departure) and to redeposit the balance with instructions to ship the remainder on request to the place of designation.

Proper depositing now by the displaced person will insure him against difficulty or confiscation of his assets by customs during his final clearance from Germany. The receipt he used to redeem the deposit from the bank will act as an "Export License" for the amount of currency authorized when passing through German and American customs.

The displaced persons are assured that all transactions will be handled with the same amount of privacy as is normally afforded customers in a private bank.

Minutes of a Meeting Held in the Office of the
Jewish Adviser on Monday, March 15, 1948

The following people attended this meeting:

Jewish Agency for Palestine - Dr. Chaim Hoffman, Mrs. Rachel Adiv
American Joint Distribution Committee - Mr. Abraham Cohen
Central Committee of Liberated Jews - Messrs. Davis Traeger
Schwartzblatt, Shlomovitz
Hebrew Immigration Aid Society - Messrs. Lewis Neikrug, Max
Newman, Henry Ortner

328160

Hoffman: Military Government has always shown great sympathy for the Germans. The Army's attitude toward the DPs has, on the whole, been very salutary. It would be imprudent to place the DPs under the jurisdiction of the State Department.

Haber: Clay reports that it is his view that the Army should retain control over the DPs but admits that no one in a position of authority shares his views.

Walinsky: At the present time there is a reluctance to criticize the Army's handling of the DP problem because of a natural respect that the people have for the general Army officers. This psychological barrier will disappear in the event that the State Department takes over. It will be much easier to establish cordial relations with the civilian members of the State Department than it is now with the Army generals in uniform.

Neikrug: The State Department is by nature evasive and takes ages to make up its mind about anything. By contrast, the Army is quick in reaching its decisions.

Schwartzblatt: There is no question but that in any conflict between the interests of the Germans and those of the DPs, the State Department would resolve the conflict in favor of the Germans. He strongly advocates that the Adviser's Office represent to the appropriate authorities that the status quo be maintained.

DEPOSIT OF FOREIGN EXCHANGE

Major Hyman, in a brief resume of the forthcoming amnesty notice under Law No. 53, announced that, about 1 April, a notice will be published by Military Government, extending amnesty to all people who deposit their foreign exchange, gold, etc. in banking institutions in Germany to be designated by Military Government, and that no questions will be asked as to the sources from which the foreign exchange, etc., were acquired. He further stated that he and Mr. Carter, the IRO Legal Counsel, were working on a joint memorandum, to be addressed to Military Government, recommending that in those cases where it is legally possible, money confiscated from a DP for the sole reason that the DP failed to deposit the money under Law No. 53, be returned to the DP, so that he may deposit his funds. In stating the particulars of the forthcoming law, the Major said that, within thirty days prior to the depositor's migration from Germany, he would be able to receive his funds in the form in which he deposited them. Likewise, those leaving the country illegally may mail their receipts to a designated agency and will receive the funds they deposited.

Hoffman: As soon as the Jewish DPs learn that they have to deposit their funds in a Reichsbank, they will not take advantage of the amnesty notice. Notwithstanding this expected reaction, the Jewish voluntary agencies and the DP leadership should support the plan for two reasons: (a) The effect of depositing the funds will be to curtail black market operations; (b) The people will profit by the deposit, since their funds will be secure and the depositors will be able to plan for the ultimate legitimate expenditure and investment of the funds.

Traeger: Everyone should encourage the people to deposit their money. At

the present time the people live in dread of being raided and of not only suffering prison sentences, but of being deprived of everything they have. At least the deposit of the funds will mean that the individual is sure that he is secure in what he has.

Neikrug: The only serious aspect of this problem is the public relations angle. What will the world think, should it develop that Jewish IPs have considerable funds?

Cohen: Everyone should be encouraged to deposit his funds.

Haber: The Central Committee must use whatever influence it has with the people to persuade them to take advantage of the amnesty provision.

INSPECTION OF BAGGAGE

The practice of both the Germans and the military of inspecting baggage of group movements was raised by someone, and the information given was that at the present time the provisions of Travel Control Instruction No. 21, Standard Operating Procedure No. 99 (Travel Control Directive for the European Theatre, 14 March 1947), was the sole authority for searching baggage of people involved in a group movement. Under this directive, the baggage may be searched only by an IRO representative. The recent departures from this SOP have been called to the attention of the Civil Affairs Division and General Harrold has indicated that, as long as SOP No. 99 represents the policy of this Command, the provisions of that SOP will govern.

SEARCH AND SEIZURE OPERATIONS (Raids)

Shlomovitz described the raid at Eschwege and, particularly, the excesses of the Constabulary troops who participated in this operation. Major Hyman reported that he was at Eschwege on the morning following the raid and that he had prepared a report on what he saw. The Major corrected some of the statements made by Shlomovitz, pointing out that the raid would have been perfectly executed, had it not been for the damage that appeared to have been done in the administration building. The Major further raised the question as to whether the Jewish leadership should oppose the use of raids. An argument might be presented in their favor, since they serve to shake people from their complacent attitude. The general consensus was that the harm they do overbalances the good that might result from the raids and, therefore, their use should be discouraged. The chief objection to raids is that they result in holding the entire community collectively responsible for the illegal conduct of the few.

EMPLOYMENT

Someone stated that between 5% and 50% of the camp workers are Germans. Some of these Germans are indispensable, since they have certain technical skills that are not found in the camps. It was generally conceded by all who participated in the discussion that all Germans whose work could be dispensed with should not be permitted to work for the Jewish IPs in the camps. In support of the thesis that most employable Jewish IPs were employed, Mr. Shlomovitz presented the following statistics:

328162

C O P Y

APO 403, c/o Postmaster
New York, New York

June 10, 1948

Mr. Meir Grossman
Director of Department of Overseas Relations
American Jewish Conference
521 Fifth Avenue
New York 17, New York

For transmission to: American Jewish Committee
American Jewish Conference
American Joint Distribution Committee
Jewish Agency for Palestine
World Jewish Congress

Dear Mr. Grossman:

Although it was my plan to submit to you monthly a survey of the situation here, I concluded that I could wait with this report until several weeks had passed beyond the declaration of the Jewish State. In the final analysis, the approach to our problem and its ultimate solution rests almost entirely upon what takes place in Palestine, and I thought I could be more concrete after the situation in Palestine had crystallized.

1. The Situation in General

Obviously, the most significant development in the total picture is the emergence of Israel as a Jewish State and the impact that this has had on the people. Judging from the earnest and spontaneous celebrations that greeted this event and from the interest in and the day to day reactions to the progress of events in Palestine, I am convinced that it is foolish to pursue the inquiry whether the DP's do or do not want to go to Palestine. In the first place, I find that there is an overwhelming enthusiasm for Palestine, reflected in the registration of over seventy percent of the people and in the increasing tempo of the recruitment program. In the second place, when it finally becomes clear that there are no resettlement opportunities outside of Palestine - and if the Senate immigration bill is sustained by the House, it will surely have that effect - most of the people will accept that fact as inescapable and will cast their lot with those who by choice want to go to Palestine.

The above may serve as further comment on the Klausner report. In the past few weeks, members of my staff and I have "unofficially" attended a number of farewell gatherings for men who have volunteered for military service in Israel. When we see entire camps turn out for such events and hear recruits, who are identified as black market operators exhort their fellow Jews to "abandon their golden calf and join in the defense of their country", we feel that, even under existing conditions, the DP's will emigrate to Israel as rapidly as the new State will accept them.

328163

in commodities. The reform will, obviously, also affect the economic position of DPs who depend upon the black market, for, in addition to stabilizing the value of the mark, the reform is to be accompanied by a substantial importation of consumers' goods, such as cigarettes, into Germany. It is, in fact, suggested by some that many of the DPs living outside of the camps will find their economic position seriously hurt.

10. Curtailment in Chaplains Program

A combination of circumstances have forced a considerable curtailment in the assignment of Jewish chaplains to work among the DPs. From a peak number of nine that were assigned to this work, there are now six, of whom four are being redeployed or transferred to other assignments. One of the two remaining is Chaplain Louis Barish, who, as I indicated, is now assigned to my office. One replacement, a chaplain of considerable experience and tested in DP work, is expected to arrive this month. Under my arrangement with the military, we will be allowed two itinerant chaplains to work in the field and one to work out of my office. I have written Rabbi Lev of the Jewish Welfare Board a detailed explanation for this reduction in the DP chaplains program and sent Rabbi Bernstein and Judge Levinthal, who were instrumental in promoting the idea of using chaplains among DPs, copies of my letter. In brief, the Army officer strength was being reduced, and I could not, in good conscience, make a case for retaining some of the men who had either developed outside interests or were generally ineffective in their work. I share my predecessor's views that there is a job for chaplains of ability and have left the matter in such shape that I am free to recommend an increase in the number of DP chaplains, provided the candidates for this type of work are of such caliber that they can be of real service to the DPs.

11. Restitution

Undoubtedly, you know that the State Department has authorized General Clay to recognize the successor organization incorporated in the States, with a subsidiary corporation to be set up in Germany. Mr. Mason has been after the people in OMGUS to get this decision implemented. I reviewed the problem with General Clay in Berlin on 9 June and was advised that the order activating the successor corporation will be issued in a few days. I also suggested that the date for filing claims will have to be extended beyond 31 December 1948. He rejected that possibility, and I propose to raise it again at a later date. In view of the great delay in getting the law approved and the successor organization recognized, it may be necessary to insist upon a six months' extension of the filing date, so as to bring the statute of limitations for the filing of claims to 30 June 1949, instead of 31 December 1948, as the restitution law now provides. I may write you later and ask that you intervene in this matter with the appropriate authorities in Washington.

I am convinced that only the most aggressive leadership and forceful representation by the executive head of the successor organization will produce any results when this work gets under way.

Due to some misunderstanding, Joshua Starr, who represents Cultural Reconstruction Incorporated, was not permitted to come into this Zone. After several abortive attempts on Mr. Mason's part to get him admitted, I finally became interested in the matter and succeeded in getting Starr's application for an entry permit approved for a period of fifteen days. This has since been extended for another month. I am sure that after the successor organization gets functioning in Germany, Cultural Reconstruction Incorporated will also be recognized, and its personnel will be able to pursue their work in the Offenbach Depot and other collecting points, where Jewish cultural objects are now deposited.

12. Anti-Semitism

Although a recent Army survey indicates that there is a slight improvement in the German attitude toward the Jews, overt acts of anti-Semitism, reflected especially in the desecration of Jewish cemeteries, go unabated. Records indicate that hundreds of tombstones throughout the Zone have either been overturned or otherwise defiled. While no area is exempt from these outrages, Protestant Upper Bavaria (Franconia), the fortress of Streicher's brand of Nazism, appears to show the greatest amount of activity of this nature. After bringing this to General Clay's attention, the General asked me to assemble the facts, promising to take such reasonable measures as are necessary to meet the problem. As part of my investigation, I met with that section of Military Governor Van Wagener's staff in Munich, whose work is related to this problem. Frankly, I was amazed to learn that reports that I had been receiving actually understated the problem. The actual number of incidents would justify one in calling the vandalism epidemic in nature. The only comforting aspect of my two-hour conference with Van Wagener's staff was the pleasant discovery that they had an intelligent appraisal of the problem and viewed it in its proper perspective. To them it was not only a manifestation of anti-Semitism but was a brazen challenge to the authority of the United States Occupation Forces. The desecration of the cemeteries is considered unofficially by some as a trial balloon launched by the Germans to see how far they can go without inviting reprisals on the part of the Army.

The problem is, of course, a stubborn one, and the presence in Germany of our DPs in any substantial number, by no means helps the situation. While I have serious doubts whether any concrete good may result from my proposals, I have prepared a memorandum for General Clay, in which I am urging the following measures:

- a. That the General issue a public statement, denouncing the wanton destruction of these cemeteries;
- b. That, in his conferences with the Presidents of the Laender, the General review the situation and explain the need for vigorous action on the part of the German authorities;
- c. That the Laender be required to repair the damages to the tombstones and graveyards and be further required to post adequate guards to protect these places;

328165

HEADQUARTERS
EUROPEAN COMMAND
Office of the Commander in Chief
Civil Affairs Division
APO 403, c/o Postmaster
New York, New York

August 31, 1948

Mr. Abram Rothfeld
Acting Executive Secretary
American Jewish Conference
521 Fifth Avenue
New York 17, New York

For transmission to: American Jewish Committee
American Jewish Conference
American Joint Distribution Committee
Jewish Agency for Palestine
World Jewish Congress

Dear Mr. Rothfeld:

Since my last report of June 10th there have been a number of developments which have had an important bearing upon the DP picture. The first is the adoption of the U.S. DP immigration bill. If this law, with its exclusionary features, has been a signal disappointment, it has at least served the useful purpose of clearing the air by removing any shadow of doubt that Israel must be considered as the only real hope for the solution of the Jewish DP problem. The reaction of the Jewish DPs to this bill is interesting. Although it must be assumed that many who entertained hopes of migrating to the United States were saddened and disheartened, the disappointment took no articulate form. This is due in part to the exclusively pro-Israel ideology that pervades the camps and in part to the fact that the Jewish DPs have a very realistic attitude towards the world. They were not surprised to learn that they were not wanted in our country. A significant and not altogether unanticipated by-product of the U.S. immigration law is that it has helped the DPs to resolve their personal doubts about where their future lies. Our Congress did for many what they could not do for themselves. It made them make up their minds to think in terms of one possibility, instead of in terms of alternatives.

The second development which has had a definite impact upon the people is the phenomenal success of Israel in maintaining itself as a "going concern". The fact that, when the current truce went into effect, Israel's forces were on the offensive has at least partially neutralized the disappointment stemming from the slow-down of emigration to Israel. I believe that the morale of the people is, on the whole, higher than it has been at any time since my arrival. All reports that reach me indicate that, despite the disappointment in their emigration, imposed by the truces, the people have confidence in their future. The recognition of Israel's representative in the Zone and the visaed legal movement of people from the camps has given the DPs the feeling that the solution of their individual problems is in sight. This general attitude is not altogether without its drawbacks. There are

328166

day to day problems that arise, the solutions of which are complicated by the feeling that the liquidation of the Jewish DP problem is imminent. For example, consolidation of camps meets with resistance because the people insist that it is inhumane to move them to another camp when they are virtually waiting for port-call to Israel. Moreover, this general optimism, unless dispelled by information that will paint the picture as it really is, may seriously interfere with long-range planning for the estimated several years that it may, in fact, take to remove the people from the DP countries.

The third development, on which I will expand in this report, is the German currency reform, which took place on June 20th. I should say very frankly that the inflated currency condition in Germany worked to the advantage of the Jewish DPs. This is especially true of the some 20,000 who found their way into the German communities. With the devaluation of the German currency, the true position of these so-called "free living" Jews was exposed. They had not, as some believed, integrated into the German economy, and it has now become more apparent than ever that, for all practical purposes, they must be considered on a par with the in-camp population. I mention this to dispel the notion that there is likely to be a residual Jewish community in Germany, composed of DPs, after those desiring to migrate have been resettled. In this connection, it is significant that, even after the evacuation of the Jews from Berlin, the Jewish Agency did not close shop in that city. So strong is the pro-Israel sentiment in Germany, or at least so potent is the urge to get out of Germany, that most of the young gemeinde people in Berlin have registered for migration to Israel.

My relationship with General Clay and with his staff continues to be very cordial. I have seen the General as often as problems require conferences with him. With no exception I have found him sympathetically disposed to any suggestion I make, provided it is consistent with Occupation Policy and does not run counter to instructions from his superiors in Washington. This is particularly applicable to his attitude towards movement to Israel. You should be gratified to learn that when, before my change in plans, I told him of my intention to leave early this Fall and asked him for his appraisal of the necessity for a Jewish Adviser, he reacted promptly, stating that he would not be without one.

EMIGRATION OUTLOOK - PROSPECTS FOR EMIGRATION TO U.S.

There is no way of determining the number of Jewish DPs in Germany and Austria who will actually be eligible under the U.S. immigration law.

It is my impression that the estimates made in the United States during the Congressional discussion of the DP legislation understate their number. At my request, PCIRO checked camp records to determine the number of Jewish DPs whose records indicate that they entered the U.S. Zone before December 22, 1945. The result of this inquiry indicates that about 41,000 Jews now in Germany claim, on their records, that they can qualify under the December 22nd requirement. This includes about 29,000 people in DP camps, about 4,000 Jewish DPs living outside of camps, and about 8,000 German Jews.

Although I believe these figures are high, I have no basis for disputing them. The estimate of 4,000 Jews who live in the communities is the least reliable. It is obviously not possible to determine how many of those who claim a qualifying date of entry will be rejected in the screening process, nor is it pos-

328167

official movements of Jewish DPs out of Austria and in making it possible for the representatives of the JAIFP to operate effectively in that area. The impression here is that the British members of the IRO executive staff wield a tremendous influence and are largely responsible for the cold attitude toward Jewish interests in DP emigration.

In addition, it has also been my observation that "budget consciousness" on the part of IRO top officials has resulted in serious curtailment in important segments of DP programs. The accumulation of a substantial surplus at the end of the last fiscal year is quite reprehensible when considered in relation to the shortcomings in medical care and, especially, in the IRO provided diet. In order to avoid privation and suffering, the voluntary agencies have often been compelled to make outlays which, in the first instance, should have been made by the IRO.

A capable person assigned to Geneva for the purpose of "influencing" IRO policy would, within a short time, pay substantial dividends. In addition to such representations in Geneva, it is also my opinion that very strong representations need to be made to the American officials in Washington responsible for IRO policy.

DESECRATION OF JEWISH CEMETERIES

Largely as a result of representations we made to General Clay, Military Government in Bavaria has made an intensive study of the extent to which Jewish cemeteries have been desecrated in recent months. Dr. Auerbach, the State Commissioner in Bavaria, and others have given considerable publicity to such vandalism. I urged upon General Clay that the matter be thoroughly investigated and that it may represent not the action of irresponsible youth, as has been charged, but an organized program of resurgent Nazi elements.

The investigation, copies of which are enclosed for the cooperating organizations, failed to establish deliberate desecration. I have no way of disputing the findings of this study. It seems to have been carefully made and can be refuted only by an independent inquiry, which we are not prepared to do. Please note that the copies of the report are marked "Restricted."

DEVELOPMENTS IN AUSTRIA.

Since my last report of June 17th, I have made three visits to Austria and conferred with Generals Keyes and Balmer and members of the General Staff in Vienna, and with General Kendall and his group in Salzburg. The situation in Austria is quite stable. The number of DPs in Vienna is rapidly being reduced, and it has already been suggested that the Rothschild Hospital be returned to the local community and reestablished as a medical center. Such a step would in itself mark a turning point in the Jewish DP problem. Nearly 150,000 Jews from Poland, Rumania, and other countries, have passed through the halls of this institution. When I was there two weeks ago, the building was half empty, and infiltration from bordering countries had come to a complete standstill. For a brief period I thought that the recent anti-Semitic outburst in Slovakia might touch off a mass exodus of the 5,000 Jews in that country and that Vienna would again be forced to play the role that it did in the mass flights from Poland and Rumania. Fortunately, this

did not materialize. First-hand reports that have reached me on the situation in Slovakia indicate that the Communists will do everything to prevent the situation from deteriorating. It would seem that they cannot afford the "public relations" aspect of pogroms within their sphere of influence.

In the U.S. Zone, Austria, no serious problems appear to be in the offing. Dr. Kurt Lewin has been recognized, subject to the approval of the State Department, as the Israeli representative for the purpose of issuing visas. He advises^{me} that he hopes to be able to move between 500 and 1,000 persons per month either through Italy or Germany. At that rate, the Austrian Jewish DP problem could be liquidated in a relatively short time, since, in my judgment, there are no more than 13,000 people in the Austrian DP camps.

MISCELLANEOUS ITEMS

1. World Jewish Congress. I attended the sessions of the World Jewish Congress for two days in Montreux. It gave me an opportunity to confer with DP representatives from the British Zone and Italy and to appear before the Special Commission selected by the Congress to draft resolutions on these problems. Several delegates to the Congress came to Germany after the sessions to confer with the Central Committee and, in general, to survey the DP situation.
2. Camp Surveys. Chaplain Louis Barish, who has been added to my staff, visited about thirty-five Jewish DP camps in the past six weeks. He conferred with the camp committees and brought back a realistic picture of the actual situation in each of the installations he visited. I have requested him to complete the survey and to visit all of the installations within the next couple of weeks. A copy of his notes containing his observations can be made available, if you are interested.
3. Jewish Restitution Successor Organization. On June 23rd, Military Government formally recognized the Jewish Restitution Successor Organization as the successor agency for Jewish property under the Restitution Law. Due to the absence of Irwin Mason, who had accepted its directorship, the Organization remained inactive until the end of July. When it became known that Mr. Mason would not return to Germany to assume his duties, Mr. Joel Fisher, General European Counsel for the AJDC, came in and, in the span of about three weeks, made considerable progress in putting the organization on a working basis. He has been succeeded by Mr. Benjamin Ferencz, former Executive Counsel to General Telford Taylor at the Nurnberg War Crimes trials. Mr. Ferencz will serve as the Director.

The delay in getting the Organization recognized and started in its operations is most unfortunate, in view of the fact that all claims must be filed before December 31st of this year. It is my impression that General Clay will have to be urged to extend the date for filing claims. I raised this matter with him about three months ago, and he did not look with favor upon it at that time.

4. Jewish Cultural Property. Together with Dr. Joshua Starr, representing Jewish Cultural Reconstruction, Inc., I reviewed with General Clay the disposition of the cultural property at the Offenbach Archival Depot. I presented to the General a memorandum prepared by Dr. Starr, requesting that

Dr. Haber 09/15/48
97. 215/48

REPORT ON CERTAIN ASPECTS OF JEWISH DP PROBLEMS
IN THE U.S. ZONES, GERMANY AND AUSTRIA. *Camp*

1. Introduction. No one can review the Jewish DP operations in Germany and Austria without being impressed with the problems and complexities that these operations involve. There are matters of immigration, of morale, of care and maintenance, of supply and distribution, of work and vocational training projects, of black marketing, of relations with the U.S. Army, with the IRO and with other agencies.

Everyone is agreed that the only effective solution is to get the Jews out of Germany and Austria and to close the camps as quickly as possible. On the basis of the present outlook, this may take from one and a half to two years. Meanwhile, it would seem desirable to give thought to immediate and long range planning, looking towards the ultimate liquidation of the camps. With this in mind, this survey was undertaken at the request of Dr. William Haber, Adviser on Jewish Affairs to Generals Lucius D. Clay and Geoffrey Keyes. No attempt was made to evaluate the entire DP program in all its ramifications. This study is confined primarily to the lines of inquiry suggested by Dr. Haber.

During the course of the survey, discussions were had with military authorities working with displaced persons in the U.S. occupation zones, with representatives of IRO, the AJDC, the Jewish Agency for Palestine, the OET, and of the HIAS, both on the administrative and operating levels, with the State Commissioner of Bavaria for Racial, Religious and Political Persecutees, with the Economic Secretary of the Bavarian Trade Union, with the Central Committee of Liberated Jews in the U.S. Zones of occupation, with camp committees, and with representatives of the DPs living outside the camps.

The following camps in the U.S. Zones, Germany and Austria, were visited: Bensheim, Lindenfels, Zeilheim, Landsberg, Neue Freimann, Geretried, Fohrenwald, Feldafing, Bad Reichenhall, Regensburg, Beth Bialik, New Palestine, Jels, Tegscheid, and Ebberberg. The OET schools in these camps, as well as the central OET schools in Munich, Linz and Salzburg, were examined. The IRO non-Jewish camps, Lain and Larnar Kaserne, and the IRO regional trade school at Inpolstadt were also inspected.

2. Size of the Problem - Estimate of Jewish DP Population. There are no accurate statistics available on the Jewish DP population. At best, the official figures, based on Army, IRO and voluntary agency sources of information, are approximations. Individuals connected with the voluntary agencies expressed opinions which placed the number of DPs far below the official estimates. It is generally conceded that the official figures are inflated by at least ten percent.

10%

328170

- e. the qualitative aspects of the program should be the major consideration.

10. Critique of IRO. Under its charter, the IRO has two major responsibilities: (1) Care and maintenance of displaced persons and (2) resettlement and repatriation wherever possible. The IRO operates and maintains the DP camps, provides the basic food rations, medical supplies and medical care. It also assumes the costs of moving the DPs to the countries of their destination. The program of the AJPC is intended to be supplementary to, and not a substitute for, the IRO. In all fairness, it should be noted that IRO has been quite cooperative in providing administrative resources, such as transport, indigenous personnel, etc., to the AJPC and to other voluntary agencies. It also pays for certain phases of the work and training program. Unfortunately, the AJPC has found it necessary to pay for certain items which rightfully should be a charge on the IRO. In the field of vocational training and work projects, for example, the IRO provides practically no material, equipment, tools or machinery in the Jewish camps and communities in Germany and Austria, with the result that the bulk of the expenses must be borne by the AJPC. In the area of resettlement, the AJPC and other Jewish agencies have, likewise, been compelled to pay too large a proportion of the costs. The IRO has also failed to take care of a large number of Jewish DPs living in France and Belgium. There is nothing in its charter, nor does the financial position of IRO justify denial of assistance to the Jewish DPs living in these countries. IRO does, in fact, take care of some of them now but has a fixed and arbitrary limitation beyond which it does not go.

The officials of the AJPC in the Paris office and the directors of the German and Austrian AJPC operations are conscious of the problem, and have been vigorous in their efforts to secure payment or reimbursement for those items which should be the responsibility of the IRO. These efforts need to be pursued even more actively not only in the DP countries, but also in Geneva and Washington on the highest possible levels, in order to enlighten the financial burden on the AJPC and other Jewish organizations.

11. Suggestion Relative to Future Consolidation of Camps. It is inevitable that, as emigration is stepped up and the number of DPs decrease, the DP camps will be consolidated. Although the authorities in the U.S. Zone of occupation have given some thought to basic principles that will govern the consolidation program, no definite plans in this field have been formulated in either command.

It is noted that up to the present time the Jewish DP camps in Germany have been relatively free from the general consolidation of the DP camps that has been in progress for the past year. As a result, the number of vacancies in the camps, as determined by allowing a maximum of forty-six square feet per person, has been on the increase. When the 5,500 DPs from Berlin were moved, they were readily integrated into the existing installations.

Camp - Dr. H. H. H.

"CONFIDENTIAL"

Civil Affairs Division
APO 403, c/o PM, NY NY

December 20, 1948

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

Gentlemen:

Since this is the last of my reports from Germany, I shall make it rather full. In it I shall attempt to summarize the developments of the past ten months, indicate what the current problems are and project what issues may have to be faced in the future.

The table below outlines the contents of this letter:

- I. Introduction - General Estimate of Situation
- II. Progress on DP Problem during 1948
 - 1. Reduction in Size of Problem
 - 2. Emigration Destination of Jews from Germany
 - 3. Health of the DPs
 - 4. Resistance to Extension of German Control Over DP Camps
 - 5. Morale of the DPs
 - 6. Reduction in Number of Search and Seizure on Camps
 - 7. Change in Attitude Toward Black Market
 - 8. Improvement of Army's Attitude Toward DPs
 - 9. Formation of Jewish Construction Company
 - 10. Cessation of Further Infiltration Into Germany and Austria
 - 11. Operation of Jewish Restitution Successor Organization
- III. Current Problems:
 - 1. Camp Consolidation
 - 2. German Indemnification Law
 - 3. Cultural Jewish Property

328172

III. Current Problems (continued)

4. Inspection of Israel Bound Baggage
5. France's Suspension of Transit Visas for Israel Bound DPs
6. IRO's Refusal to Support Emigration to Israel
7. Slowness in Implementation of United States DP Bill
8. "Admission of Pogromists and Collaborators Under DP Bill"
9. Anti-Semitism

IV. Re-evaluation of Policy Issues Posed in Earlier Reports

V. Problems That Lie Ahead:

1. Occupation Statute for Western Germany
2. Outlook for Camp Consolidation
3. Restitution and Indemnification Problems
4. Ultimate Liquidation of DP Problem
 - a. Emigration Opportunities
 - b. Extent that the Emigration Opportunities
Will Be Used
 - c. Who Will Constitute the "Hard Core"?
 - d. Recommendations With Respect to the "Hard Core".

Personal Note

camp committees may flood the Jewish organizations in the States with complaints that the consolidation program is cruel and inhuman. It would be my advice to disregard these complaints and to accept the judgment of those on the spot.

3. Restitution and Indemnification Problems

The problems of restitution, of identifiable property, the return of the Jewish cultural property, and the German Indemnification law will certainly crystallize during the coming months. My thinking on these closely related matters is that we should insist that Germany pass a decent indemnification law or none.

This is a moral obligation which must be given priority by the occupation authorities and we should reject as inadmissible, the contention that Germany cannot afford a decent indemnification law. We should not permit the Germans to satisfy their conscience before the world by passing an act which merely gives lip service to the principle of reparations and indemnification.

As to the Jewish Restitution Successor Organization, every effort should be made to liquidate its claims at the earliest possible time even at a substantial sacrifice. The longer the liquidation of the restitution problem is postponed, the more will the resistance against the implementation of the restitution laws mount, and, by the same token, the claims will become more worthless. Considerations of expediency and not justice will, as I see it, have to govern our thinking on this problem. The Successor Organization should get out of Germany as much as possible, as quickly as possible, and consider the mission accomplished. This, of course, is also true of the Cultural Reconstruction Corporation with respect to cultural property.

4. Ultimate Liquidation of DP Problem.

There is one major issue on which I should like to expand and to which the Jewish organizations in the States will have to give the most serious thought in the very near future. I have reference to our attitude toward the people who remain here after the mass movement has tapered off, and what type of assistance American Jewry should underwrite for the residual population.

This problem should be considered in relation to (a) emigration opportunities, (b) the extent to which the people will take advantage of these opportunities, (c) the type of people who will constitute the "hard core", (d) recommendations with respect to this group.

C O P Y

July 19, 1949

Dear Mr. McCloy:

I want you to know that I was tremendously impressed with the position you took at the meeting held in your Berlin office on July 18, in relation to the General Claims Law. In my judgment you put your finger on the fundamental issue involved when you stated that the referral of this law to the Federal German Republic may result either in delay or in no action whatsoever. I personally appreciate the delicate position in which you now find yourself, in view of the definitive action already taken by Military Government in returning the law to the Laenderrat. Nevertheless, after even more careful reflection, I am still of the opinion that while the embarrassment to you in reversing a decision may be temporary, the injustice to the victims of Nazism will be permanent if the present decision is permitted to stand.

Fundamentally, as you so very well put it, the issue is a moral one. I am confident that respect for the principle involved will be the overriding consideration that will guide you in reaching your conclusion on this important question.

I am deeply grateful for the opportunity you gave me to meet with you and your staff and to present in person what I had to say.

With kindest regards, I am

Sincerely,

HARRY GREENSTEIN
Adviser on Jewish Affairs

Mr. John W. McCloy
High Commissioner
US Zone, Germany
Berlin
APO 742 US Army

car

328175

COPY

Camps Greenstein

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

July 20, 1949

Dear Eli:

Enclosed find report of the two conferences that I held with Mr. McCloy which will give you, in detail, the discussions that took place.

Today I received a telephone call from Mr. McCloy advising me that he had telephoned to General Robertson, British High Commissioner, and indicated to him that he was eager to approve the General Claims Law for the US Zone. General Robertson expressed some concern at this development and stated that he wanted to discuss the matter with his advisers and would then review the situation further with Mr. McCloy.

I know you will be gratified to learn that Mr. McCloy's attitude could not have been more sympathetic or understanding and he has assured me that he is anxious to approve the law and that his only difficulty is to find some way out of the predicament in which he finds himself by virtue of General Hays' action in returning the law to the Laender disapproved.

I shall keep you informed of developments.

Sincerely,

HARRY GREENSTEIN
Adviser on Jewish Affairs

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

enc.

328176

REPORT OF FIRST CONFERENCE BETWEEN JOHN J. McCLOY, *cards*
NEWLY APPOINTED HIGH COMMISSIONER FOR GERMANY, AND
HARRY GREENSTEIN, ADVISER ON JEWISH AFFAIRS, AT
FRANKFURT, JULY 16, 1949

My appointment with Mr. McCloy was the last one on his calendar and he asked me to drive with him to his home at Bad Homburg so that we could have a leisurely and relaxed discussion. It soon became apparent that Mr. McCloy was quite uninformed of the duties and functions of the Office of the Adviser on Jewish Affairs, and I accordingly took advantage of this opportunity to review with him how the office came into being, mentioned the names and the length of service of the previous advisers and described the present activities of this office.

He asked me how long I intended to remain in Germany. I replied that I expected to continue until October 1. He then wanted to know what were the possibilities of extending my stay. I replied this was completely out of the question. We then discussed the future of the office and I stated that unless the situation changed radically, it was my hope that the office could come to an end by December 31, 1949. We agreed to review this situation in greater detail at a later date.

Heidelberg Meeting July 21, 1949

I extended a cordial invitation to Mr. McCloy to attend the meeting I was calling in Heidelberg on Sunday, July 31 on "The Future of the Jewish Communities in Germany". He agreed that this would provide an excellent opportunity for him to meet the leaders of the Jewish communities and to express his point

of view on the situation of Jews in Germany. He must be in Bonn for an extremely important meeting on Saturday, July 30, but stated that I could count on his presence, provided no unforeseen developments in Bonn made it impossible for him to attend.

Liquidation of the Jewish DP Camps

On the basis of the present schedule which had been worked out, I advised Mr. McCloy that all of the Jewish DP camps should be closed by the end of September, with the exception of a few of the camps which must be retained for the physically disabled, for persons who were being processed for the US and those who were as yet undecided when and where they would emigrate. Mr. McCloy expressed his gratification that this sad chapter in Jewish history was now coming to an end.

General Claims Law

Card ✓

The rest of the conference was devoted to a discussion of the General Claims Law. Mr. McCloy read very carefully the memorandum I submitted to him, copy of which is attached. He

stated that he would like to approve the law but that he was in an embarrassing position in view of the fact that it had already been returned to the Laender, prior to his arrival, with the recommendation that it be referred to the Western German State for consideration and action. I mentioned that General Gley had given me his personal assurance two days before he left Germany that the law had his complete approval and that we need have no concern about it; also that some of the Laender had actually disbursed funds on the assumption that the law was certain to be approved by Military Government.

I stressed the fact that neither the Jews in Germany nor the Jews of the world would possibly be able to understand the refusal of the US authorities to approve this action taken by the German Laender in the US Zone, and that I was certain there would be widespread protests if the present position was maintained.

Again Mr. McGloy replied that he was completely sympathetic with my viewpoint but that he did not quite know how he could reverse the previous position taken by General Hays. Mr. McGloy advised me that he would like to discuss this further with me in Berlin and asked me to hold myself in readiness to meet with him and his economic and financial advisers.

Mr. McGloy could not have been more sympathetic or understanding of the problems presented to him and I was very much impressed with his obvious desire to do everything he could for the Jewish displaced persons.

July 30, 1949

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

I am certain you will be interested in having a report on a conference that I attended in Berlin on July 18, at Mr. McCloy's invitation. I am deliberately giving you a "blow by blow" account of the discussion as it progressed because only in this way can I transmit to you the "feel" of the meeting, at which basic attitudes were revealed on the part of the participants. I do not know what the ultimate outcome on the General Claims Law will be but I am sure that you will agree with me that Mr. McCloy at least starts with a personal philosophy that is commendable. I hope that he sustains it during his service as High Commissioner.

Mr. McCloy opened the meeting with a statement that he wanted to discuss two problems: (1) the Economic Council Ordinance #71 (Equalization of War Burdens) and (2) the General Claims Law, for the US Zone, Germany.

Discussion on Economic Council Ordinance #71
(Equalization of War Burdens)

General Hays announced that he felt strongly that the ordinance should be approved as it now stands and that it would be a serious mistake to extend to the political, racial or religious persecutees, who, though residents of the United Nations, were not citizens of these countries on May 8, 1945. You will recall that the ordinance

328180

exempts from the tax UN nationals who had that status on May 8, 1945. Mr. McCloy revealed that the British were very much opposed to any further exemptions being granted and that he was certain they would not go along with any additional modification. This point of view was strongly supported by Mr. McCloy's staff, who emphasized that if the exemption requested by the Adviser on Jewish Affairs were granted, it would add to the difficulties of administering the law, in that men could reasonably differ on the issue as to who are persecutees. The point was further made that this ordinance should be regarded only as a stop-gap emergency measure, to meet certain immediate problems, and that when the major problem of the equalization of burdens is later treated, it could then be determined, what, if any, further liberalization should be recognized.

I elaborated on the argument contained in my memorandum on this subject which I had presented to General Hays on May 23, 1949, stressing the moral aspect of the question, and urged Mr. McCloy to approve the amendment requested. While he made no final decision, Mr. McCloy indicated that he was inclined to agree with his staff and that he did not feel he could recommend any further amendments to the ordinance. (See Note on Page 9)

Discussion on General Claims Law

Mr. McCloy called upon his advisers for their point of view with regard to the General Claims Law. Without exception they stated

that they felt that the action of General Hays in returning the law to the German Laender with the recommendation that it be referred to the Western German State was the wisest course to have followed. In supporting this position General Hays made the following points:

1. That the law had never been passed by the legislatures of the different Laender and that it represented merely a declaration of policy on the part of the Ministers President.

2. That the Ministers President went far beyond their terms of reference in recommending that Military Government approve the Law.

3. That it would be a serious mistake on the part of the US to approve such a law for the US Zone, Germany when neither the French nor the British had approved such legislation for their respective zones.

4. That it would be most unwise for the US to endorse this law on the eve of the creation of a Western German State and that if such a law is to be passed, it should apply to all three zones and not merely to the US Zone.

5. That the application of such a law to the US Zone, Germany alone would impose an unfair financial burden on the Laender in the US Zone.

After the others had spoken in the same vein, Mr. McCloy called upon me. I stressed the fact that all of the arguments that had been advanced thus far had been known during Clay's administration,

and yet, two days before he gave up his office, Clay had assured me (1) that the law would be approved, (2) that he had discussed this with General Hays and there was no need for concern about it, and (3) that the only reason Clay himself had not approved the law was that he had already delegated to General Hays his official responsibilities.

General Hays replied that Clay had not reviewed the Law with him nor had he, prior to his departure, made any recommendations to him with regard to its approval. Mr. McCloy stated that General Clay had discussed this subject with him and informed him, in Washington, that the law had his approval, and that, he, McCloy, should consider himself fortunate that at least one problem, restitution, had been solved.

I continued that when General Clay had been presented with the law, he returned it to the Laender with only one expressed criticism; namely, that it excluded in-camp DPs. Since the Laender had revised the proposed law in line with Clay's wishes, it would be unfortunate if the US authorities, at this late date, refused to approve it.

I added that the US had taken the lead in insisting that there be indemnification for the losses sustained by the victims of the Nazi regime and now that the German Laender themselves were willing to make some gesture in that direction, we certainly should not put obstacles in their path; that the Military Government's decision,

in not approving the law would certainly evoke widespread protests and indignation, not only from the Jews in Germany but from Jews all over the world; that once the law was approved for the US Zone, it would be much easier to secure approval of similar action in the other zones, and that on the other hand, if the US Zone did not approve the law, there was little hope for action by the Western German State and certainly no possibility of getting the other zones to pass any legislation on this subject; and that I was certain that the referral of this law to the Western German State meant not only interminable delay but would in fact, kill the possibility of any action being taken.

At this point Mr. McCloy asked what were the chances for favorable action by the Western German State. To my utter amazement, General Hays admitted that he shared my doubt that the Western German State would adopt such legislation. From that point on McCloy took the initiative and exposed the weakness of Military Government's position. "The action taken," he argued, "meant that restitution was being permitted 'to go down the drain'". He then asked whether restitution was one of the powers reserved to the occupying forces in the basic law of the Federal German Republic. When General Hays replied that he doubted whether internal restitution was within the reserve powers, and that in his opinion, jurisdiction over this matter was exclusively that of the Western German State or its Laender, Mr. McCloy reiterated that this was the best argument for approving the General Claims Law, since admittedly

the course followed meant the abandonment of any hope that such a law would be passed.

General Hays stated that he felt that the approval of such a law by the laender in the US Zone would saddle them with too great a financial burden and would therefore make it more difficult for them to rebuild their economy. Mr. McCloy replied that this was a budgetary argument, but the fact remains that if we followed this course, we would be abandoning the whole concept of restitution, insofar as the German responsibility was concerned. He elaborated, saying it was a serious mistake to permit the new Western German State to come into being, relieved of any financial debt or obligations, without the necessity of maintaining any military establishments, with the US pouring money into the country for economic rehabilitation, and relieved of any financial responsibility for the wrongs committed under the Nazi regime. If, as has been pointed out, there is little likelihood of the Western German State passing a restitution law, then in fact the new state would be starting out in an atmosphere of moral degradation.

He took this occasion to illustrate this point by relating a conversation that he had only a few days ago with a high ranking German official, who had said to him, "Mr. McCloy, I hope that in assuming your new post as High Commissioner, you will forget about the past and about the Auschwitzes and the Dachaus and think primarily in terms of a new and reborn Germany". Mr. McCloy replied, "I do not think the Germans ought ever to be permitted to forget

the Auschwitzes and the other concentration camps, and that if they did, it would merely contribute to their moral degeneration."

I concluded by stating that I felt that the basic issue involved was whether or not the US authorities had any real conviction on the subject and if so, there was no alternative but to approve the General Claims Law, regardless of all the other considerations and arguments which had been advanced.

General Hays then stated that he felt it would be most unfortunate, after all the efforts which had been made by the US authorities, to get the Germans to put their budget in order, to permit a law to be passed in the US Zone which would make it difficult, if not impossible, for the German Laender to meet their financial burdens. This, he maintained, would be another example of the Germans being permitted to pass a law without thinking through how they would provide for ultimate payment of the financial burdens involved. He also emphasized the point that he felt it was a mistake to permit only the four German Laender in the US Zone to pass such a law and that the least we should do would be to insist that the other seven Laender in the French and British Zones do likewise, so that such a law would be applicable to all of the western zone. He concluded his argument with the statement that regardless of Mr. McCloy's conviction on the subject, he would be unfair to himself and to the other two High Commissioners, if, as a matter of procedure, he did not consult with them before taking any action in the matter. Mr. McCloy agreed and indicated that he would consult

with the British and the French High Commissioners before reaching a final decision.

Mr. McGloy then asked General Hays to read the letter which he had sent to the Laender in returning the law to them. Mr. McGloy's reaction to the letter was that General Hays had, to all intents and purposes, made it almost impossible to do anything about this without repudiating the action already taken and that this presented a very difficult situation. By way of conclusion, Mr. McGloy stated that while he was not making any decision, he wanted his advisers to know that he was very much inclined to approve the law, as submitted by the Laender, and that the only thing that troubled him was how he could take this action, without repudiating General Hays.

After the meeting was over, I had an opportunity to talk with McGloy privately and told him how tremendously impressed I was with the point of view that he expressed, and how very much I hoped he would be able to see his way clear to approve the law. I stated further that I realized only too well the delicate position in which Mr. McGloy found himself but that I hoped Mr. McGloy's strong convictions on the moral principles involved would be the overriding consideration that would guide him in reaching his decision.

When I returned to Heidelberg, I wrote to Mr. McGloy, thanking him for his understanding and sympathetic attitude. A copy of the letter is attached herewith.

On Tuesday, July 19, the day following the above conference, Mr. McCloy telephoned from Berlin and informed me that he had just talked to General Robertson, British High Commissioner and told him how eager he was to approve the General Claims Law for the US Zone. He reported that General Robertson expressed some concern and said that he would get in touch with his advisers and then report their reaction to Mr. McCloy. Mr. McCloy stated that he was still of the opinion that he had expressed at the meeting on July 18 and that unless serious resistance developed, he hoped to be able to follow his inclination to approve the law. *Car d*

On Wednesday, July 20, I talked to McCloy to find out whether he had heard from General Robertson. He advised me that General Robertson had just telephoned him, that after consultation with his advisers, he had decided to refer the matter to the British Foreign Office for policy decision. Mr. McCloy again assured me that he would do everything in his power to see that favorable action is taken and promised to keep me fully advised on developments.

HARRY GREENSTEIN
Adviser on Jewish Affairs

Note: In the course of the discussion of the Equalization of Burdens Law, it was agreed by those present that this law would not apply to the JHCO and that this organization, as a charitable organization and as a US corporation, would be treated as a US national that had that status on 8 May 1945. This is in accordance with interpretation from the State Department.

HEADQUARTERS
EUROPEAN COMMAND
Office of the Adviser on Jewish Affairs
APO 403 c/o PM US Army

February 28, 1949

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

This report covers the period from Dr. Haber's departure, January 15, 1949 to Mr. Greenstein's arrival, February 15, 1949.

In General

Except for a sudden flare-up in the form of a succession of three raids on Jewish camps, the period presented no special problems. Migration to Israel and to other countries was maintained at the expected rate and satisfactory progress was made in the consolidation of the existing camps. Our office was called upon to act only in one matter that had to be handled on the Clay level. Because the problem was not of extreme urgency we concluded that the matter could wait until Mr. Greenstein's arrival. We have reference to the surprise decision of the authorities in refusing to license the Claims Agency that the American Joint Distribution Committee, the Jewish Agency for Palestine and the Council for the Protection of Jews from Germany had proposed to Military Government.

RESETTLEMENT FROM US ZONE, GERMANY

The following chart reflects the emigration of Jewish DPs from the US Zone, Germany, during the month of January, and the countries in which the DPs were resettled:

Argentina	.....	3
Australia	.....	56
Belgium	.....	6
Bolivia	.....	2
Brazil	.....	49
Canada	.....	95
Chile	.....	16
France	.....	4
French Morocco	.....	13
Holland	.....	4
Honduras	.....	2
Israel	.....	5,142
Italy	.....	1
Mexico	.....	1
New Zealand	.....	2
Norway	.....	3
Sweden	.....	6
Tunisia	.....	1
UK	.....	12
USA	.....	758

6,176

328189

Raids on Jewish camps always bring to the fore the problem of the black market. In this connection it is important to bear in mind two conclusions that we believe are unassailable; one, that Jewish DPs are among the most conspicuous black market offenders and two, that the brazen form of their operations has had a substantial bearing on the growth of anti-Semitism both among Germans and the occupational personnel. All the apologies we make on behalf of our DPs can do little to neutralize the effect of news that clearly indicates (without specifically so stating) that the most prominent element behind the recently uncovered smuggling ring and the gift package racket were Jewish DPs. Unfortunately, the liquidation of the camps will make no substantial dent on the problem, since the biggest operators are established in the large cities and by far the most ugly form of their trading is exposed to public view on the streets of these cities; notably, Munich, Frankfurt, and Stuttgart. It is discouraging that these people, who have built up their little empires on the fringe of the German economy, delude themselves that they are in fact, living in the German economy and are postposing plans for their ultimate resettlement. In our opinion this element will constitute a large part of the non-medical hard core that is mentioned in Dr. Haber's final report.

INDEMNIFICATION LAW

Beyond the unexpectedly favorable conclusions reached at the session of the Legislation Review Board, at which our office represented the composite view of the interested Jewish groups, no further progress was made during this period on the General Indemnification Law proposed by the three Laender in the US Zone, Germany. A copy of Major Hyman's memorandum, indicating the action taken at this session, held January 18 and 19, is attached. At the present time we are awaiting the staff study of the Legislation Review Board which, presumably, will make the recommendation set forth in the memorandum. In anticipation that the law as it may ultimately be passed will treat out-of-camp DPs on the par with those living in the German economy, the Central Committee of Liberated Jews is taking steps to document the claims of all the Jewish DPs in the Zone who may be eligible to compensation for time spent in concentration of labor camps. At this stage it is still too early to predict the ultimate course of this piece of legislation. In the meantime, Dr. Auerbach informs us that it is accepted as axiomatic in many German circles that it is the Jews who are preventing the law from going into effect, thus robbing many needy Germans of the benefits that would accrue to them under the law in its present form.

INDIVIDUAL CLAIMS AGENCY

Shortly before Dr. Haber's departure for the States, Military Government notified the representatives of the Jewish Agency for Palestine, who had been negotiating with Military Government on the recognition of a Claims Agency, that the application to license this agency has been turned down. The agency was to handle restitution claims of living claimants. The rejection came as a complete surprise to those who had followed the progress on the application. The point had even been reached where Military Government had authorized one of its staff to deliver to the Claims Agency representatives an interim certificate of authorization. The report as it reached us is that some technicality had to be straightened out in connection with this temporary grant of authority, that the matter was referred back to Military Government, that it then came to the attention of the Deputy Military Governor and that he summarily recommended that General Clay turn down the application on the ground that German lawyers could handle the restitution claims and that no agency was necessary to represent overseas claimants. The local representatives of the prospective Claims Agency were thrown into a veritable tail spin by this decision, since on the strength of the encouragement they were receiving from the several

branches of Military Government, with whom they conducted their negotiations, they accepted about 1800 claims and purported to act on behalf of their clients by filing the claims with the Central Filing Agency.

Since it was impossible for Dr. Haber to take this matter up with General Clay, who is the only person who could reverse the decision, we wrote the General and briefly summarized the advantages of such an agency to the claimants and the aryanizers. We indicated that Mr. Greenstein would certainly want to take this matter up upon his arrival. The General replied that he would not mind reopening the question with Mr. Greenstein.

We are reliably informed that while the General Claims Agency was turned down, the requested license would have been granted either to the AJDC or JRSO. There is an apparent reluctance to permit a non-American agency to become active in the field of restitution. We are of the opinion that the functions of the Claims Agency must be performed by someone if the living claimants are to realize anything from the Restitution Law. It is, therefore, our judgment that if Mr. Greenstein is unsuccessful in getting a reversal on the Claims Agency's application, some formula should be worked out under which the AJDC or JRSO would take over the functions of supervising the prosecution and compromise of individual restitution claims.

TRANSFER OF CULTURAL PROPERTY

On February 15 a formal agreement was signed by Military Government, Jewish Cultural Reconstruction, Inc., and the Jewish Restitution Successor Organization under which Military Government transferred all the unidentifiable Jewish cultural property to JCR. The agreement provided that JCR was to receive this property as trustee for the Jewish people and charged the JCR with distributing the property "to such public or quasi public religious, cultural, or educational institutions as it sees fit to be used in the interest of perpetuating Jewish art and culture." It is estimated that approximately two-thirds of all the cultural material (approximately 200 volumes) deposited in the Offenbach Depot, and in several smaller collections, was effected by this agreement. This property includes books, torah scrolls, synagogue paraphernalia, ritual objects and Jewish paintings and furnishings. There is one category of property that was referred to in the agreement, but, for obvious reasons, was not specifically described; namely, unidentifiable property restitutable to countries under the Russian sphere of influence. Although the agreement stated that this property was to be turned over to the JCR, against a custody receipt, actually the matter was left open, subject to further negotiations.

The immediate task that lies ahead is to sort the collection; to earmark it for ultimate points of destination and to ship the material to these points as soon as possible. This will be the responsibility of Joshua Starr, of JCR, who is already here for that purpose, and of Shlomo Shusami, Librarian of the Hebrew University, who is on the way from Israel.

The foregoing information is confidential and should be given no publicity.

ANTI-SEMITISM IN THE GERMAN PRESS

Recently we have had our attention directed to a number of articles in the German press that have a definite anti-Semitic flavor. In a few instances the articles were so provocative that one can only marvel at the indiscretion of the editors who allowed the publication of such polemics against the Jews with mass murder of Christians in Israel. Papers published in communities where DP camps are located, generally find some reason for painting Jewish installations in the least favorable light. When camp Pocking was closed, the local paper charged the camp with

deliberately burning down two of the barracks before evacuating the camp (actually the cause of the fire was not determined, and in it a number of people lost all of their personal belongings) and with being an organized brothel.

In each instance we sent the articles to the Military Authorities and although Military Government is very cautious and conservative in exercising its power of censorship, the action taken in the recent cases we referred to them indicates that the authorities are prepared to take positive measures against papers that publish defamatory articles. In this connection, it should also be mentioned that the American Jewish Committee wrote us about a Hungarian publication in Bavaria that extolled Frances Szalasi (Chief of the Hungarian Socialist Party "Arrow Cross") as a great, national hero. Upon our request the matter was investigated and the authorities directed that the paper cease its publication.

You have probably followed the developments involving the Neue Zeitung, the American sponsored and American subsidized paper, published in Munich. Although it is true that members of the staff had questionable pasts, our personal investigation of the type of material this paper has been printing did not substantiate the extreme criticism directed against this publication. However, even this fairly neutral and comparatively cautious paper treated Dr. Haber's final report to the Secretary of the Army in a way that is revealing. The only two items this paper featured are what the German members of the staff apparently felt the German readers would enjoy reading; namely, the prediction that the Jewish camps would close in 1949 and that Jews are leaving for Israel in great numbers. Not a word was said about Dr. Haber's comments on the persistence of anti-Semitism in Germany and his argument supporting the recommendations that the US authorities must not relinquish their control over the DPs.

/s/ ABRAHAM S. HYMAN
Major JAGD

/s/ LOUIS BARISH
Chaplain

Assistants to the Adviser
on Jewish Affairs

328192

Report on Austria

May 11, 1949

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

REPORT ON AUSTRIA

I just returned from a three day trip to Austria where I conferred with the US military authorities, the IRO Director, the Israeli Consul and with leaders of the Jewish community in Vienna. Prior to my departure for Vienna I received a letter from General Keyes' office in which the General raised the following questions:

- a. What are the possibilities of an influx of Jewish refugees into Austria from Poland, Czechoslovakia, Hungary and Rumania?
- b. Is there any evidence of increasing anti-Semitism in any of the above countries?
- c. What Jewish agencies are working in these countries, what are their activities and functions and how close is their contact with similar agencies in Austria?
- d. What are the indications of official approval or disapproval of the outward movement of Jews from these countries, either directly to Palestine or via other countries, particularly Austria?
- e. What is the present status of negotiations between the Hungarian government and Dr. Ariel, the Israeli Representative, with reference to authorizing movement directly to Palestine?

General Keyes was absent from Vienna. I, therefore, had my principal conference with General Balmer, US Deputy Commander in Austria and discussed each of the above items with him at length.

Since the first of the year there has been a steady infiltration of Jews into Austria from Hungary. During the latter part of April and, especially the early part of May, this movement has taken on much larger proportions. In the course of the past ^{two} weeks alone over 3,000 Jews arrived in Vienna from Hungary by way of Czechoslovakia. Most of them are being temporarily housed in the

328193

Camp Population as of April 25, 1949

<u>Camp</u>	<u>Location</u>	<u>Population</u>
Bialik	Salzburg	730
New Palestine	"	292
Saalfelden	Saalfelden	192
Bindermaichel	Bindermaichel	1085
Steyer	Steyer	1046
Wegscheidt	Linz	602
Wells	Wells	614
Hallein	Hallein	1211
Ebelsberg	Ebelsberg	1613
		<hr/>
		7385
	Miscellaneous	<hr/>
		55
		<hr/>
		7440

Israeli's Consul's Analysis of Ultimate Liquidation of DP Problem in Austria

I am enclosing a memorandum from the Israeli Consul to the Austrian Command which reflects the Consul's evaluation of the present DP situation in Austria and his forecast with regard to emigration and the closing of the DP camps.

Present Status of Restitution Laws

During my stay in Vienna I looked into the problem of restitution. There is real concern on the part of all the Jewish organizations over the failure of the Austrian government, (1) to pass the necessary additional laws, and (2) to effectively implement those laws already adopted.

Unlike the US Zone, Germany, where we have one comprehensive law dealing with the entire field of internal restitution, Austria dealt with the problem of restitution on a piecemeal basis. Since the cessation of hostilities Austria has passed six measures dealing with internal restitution. They are the following:

a. Law No. 10 (1945), which required the owners of "aryanized" of confiscated property to register this property with the Austrian authorities.

b. Law No. 156 (26 July 1946), First Restitution Law - provided for the restitution of property that the German Reich had confiscated during the Anschluss and to which the Austrian Republic had succeeded

and has held and administered as trustee for the benefit of the persecutees

c. Law No. 53 (27 March 1947) Second Restitution Law - provides for the restitution of property that members of the NSDP and of other outlawed Nazi organizations had taken under duress from persecutees. The Austrian Republic declared this property confiscated and substituted itself as the title holder.

d. Law No. 54 (27 March 1947) Third Restitution Law - provides for the restitution of real and personal property in those cases where the legal title was transferred to private individuals or corporations under duress or under conditions that are held to be confiscatory.

e. Law No. 55 (27 March 1947), Property Restoration Law - provides for the restitution of the property of democratic organizations which were either dissolved or driven underground during the Anschluss.

f. Law No. 143 (8 August 1947), Fourth Restitution Law - provides for the re-registration of business firm names which had been deleted or changed under Nazi pressure.

Austria has to this date failed to adopt any measure calling for the restoration of confiscated leasehold interests and has shown an incredible indifference to the problem involving heirless and unclaimed property. Proposed legislation in these fields has been pending for the past several years. The general feeling is that in view of the political situation in Austria, it is not likely that anything further will emerge in the field of restitution until at least after the next general elections, scheduled to be held in October of this year.

The major political parties in Austria are the Volksparty (Catholic) the Socialist and Communist parties. Of the 165 parliamentary seats the Volksparty has only about six or eight more than the Socialists. The Communists control four seats. The parties are now vying with each other for the support of the some 500,000 lesser implicated Nazis who, on June 6, 1948, were extended a general amnesty, and who, for the first time since the end of the war, will have the right to vote. None of the parties is willing to take the risk of defeat by sponsoring any further restitution laws which obviously will be unpopular with the masses of the people.

In reviewing the problem on the spot, I found that until now each of the various organizations working in the field of restitution

in Austria have been making independent approaches to the problem. It is not at all certain that we can, even under the most favorable circumstances, influence the situation from this end. I am, however, convinced that we stand even less chance unless we coordinate our efforts and present a single viewpoint to the US military authorities, and to the Austrian government. Accordingly, I intend to call at meeting, in the course of the next few weeks, of those agencies that have been concerned with this problem. It is my hope that at this conference we will be able to draw up a common program and that we may succeed in agreeing upon the most effective next steps to be taken.

HARRY GREENSTEIN
Adviser on Jewish Affairs

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.

Conrad

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

328197

settled 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.

rnme
effec
patic

ties l
amps,
joye
e and
ties
Gern
n def
of th
itiati
on St
ned a

ence

any v
[Soci
e. It
erty,
aces
the U

overn
fforts
overn
as the
ition.
osely
adop
a law

th the
n get
optim
ess a

one w
re un
, It i
re and
erty v