

HEIRLESS ASSETS

Public Law 626

CHAPTER 830

AN ACT

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

August 23, 1954
[S. 2420]

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

“(h) The President may designate one or more organizations as successors in interest to deceased persons who, if alive, would be eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a) (2) thereof. An organization so designated shall be deemed a successor in interest by operation of law for the purpose of subsection (a) (1) hereof. Return may be made, to an organization so designated, (a) before the expiration of two years from the vesting of the property or interest in question, if the President or such officer or agency as he may designate determines from all relevant facts of which he is then advised that there is no basis for reasonable doubt that the former owner is dead and is survived by no person eligible under section 32 to claim as successor in interest by inheritance, devise, or bequest; and (b) after the expiration of

Trading With
Enemy Act, amend-
ment.
60 Stat. 50 ✓
50 USC app. 32.

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cuted assets.

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such time, if no claim for the return of the property or interest is pending. Total returns pursuant to this subsection shall not exceed \$3,000,000.

Notice of claim,
etc.

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

60 Stat. 925.
50 USC app. 34.

"Organization".

"The filing of notice of claim by an organization so designated shall not bar the payment of debt claims under section 34 of this Act.

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

60 Stat. 925.
50 USC app. 33.

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

Approved August 23, 1954.

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V. 68
Pt. 1
C. 2

UNITED STATES
STATUTES AT LARGE, *v. 68, pt. 17*

CONTAINING THE
LAWS AND CONCURRENT RESOLUTIONS
ENACTED DURING THE SECOND SESSION OF THE
EIGHTY-THIRD CONGRESS
OF THE UNITED STATES OF AMERICA

1954

AND

REORGANIZATION PLANS AND PROCLAMATIONS

VOLUME 68

IN TWO PARTS

PART 1

PUBLIC LAWS AND REORGANIZATION PLANS



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UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1955

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EXECUTIVE ORDERS—1955

EXECUTIVE ORDER 10585

DESIGNATING THE DATE OF TERMINATION OF COMBATANT ACTIVITIES IN KOREA AND WATERS ADJACENT THERETO

By virtue of the authority vested in me by section 112 (c) (3) of the Internal Revenue Code of 1954, January 31, 1955, as of midnight thereof, is hereby designated as the date of termination of combatant activities in the zone comprised of the area described in Executive Order No. 10195¹ of December 20, 1950 (15 F. R. 9177).

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
January 1, 1955.

EXECUTIVE ORDER 10586

DESIGNATING CERTAIN OFFICERS TO ACT AS SECRETARY OF THE TREASURY

By virtue of the authority vested in me by section 179 of the Revised Statutes (5 U. S. C. 6), and section 301 of title 3 of the United States Code, it is ordered as follows:

In case of the death, resignation, absence, or sickness of the Secretary of the Treasury and the Under Secretary of the Treasury, the following-designated officers of the Treasury Department shall, in the order of succession indicated, act as Secretary of the Treasury until a successor is appointed or until the absence or sickness of the incumbent shall cease:

1. Under Secretary for Monetary Affairs.
2. Assistant Secretaries, in the order fixed from time to time by the Secretary of the Treasury.

¹ 3 CFR, 1950 Supp., p. 157.

3. General Counsel.

Executive Order No. 8714¹ of March 18, 1941, entitled "Designating Certain Officers To Act as Secretary of the Treasury in Case of Absence or Sickness of the Secretary", is hereby revoked.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
January 13, 1955.

EXECUTIVE ORDER 10587

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

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

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

SEC. 2. Exclusive of the function vested in the President by the first sentence of the said subsection (h) of section 32 of the Trading with the Enemy Act, the Attorney General shall carry out the functions provided for in that subsection, including the powers, duties, authority and discretion thereby vested

¹ 3 CFR, 1943 Cum. Supp.

E. O. 10588

Title 3—The President

in or conferred upon the President; and functions under the said subsection are hereby delegated to the Attorney General, and the Attorney General is hereby designated thereunder, accordingly.

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

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
January 13, 1955.

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Tit. 3
Compilation
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C. 2

TITLE CODE OF FEDERAL REGULATIONS, *Tit. 3, Comp., 1954-1958.*



TITLE 3—THE PRESIDENT 1954-1958 Compilation

CONTAINING THE FULL TEXT OF PRESIDENTIAL DOCUMENTS PUBLISHED IN THE FEDERAL REGISTER DURING THE PERIOD JANUARY 1, 1954-DECEMBER 31, 1958

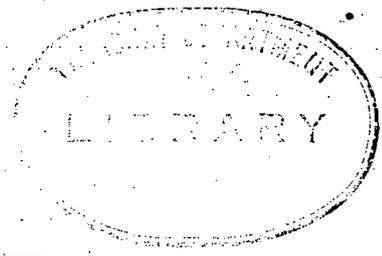
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TREASURY DEPARTMENT



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HEARING
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE

EIGHTY-THIRD CONGRESS

SECOND SESSION

ON

S. 2420

TO AMEND SECTION 32 OF THE TRADING WITH
THE ENEMY ACT, AS AMENDED

APRIL 14, 1954

Printed for the use of the Committee on the Judiciary



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SPECIAL SUBCOMMITTEE TO EXAMINE AND REVIEW THE ADMINISTRATION OF THE TRADING WITH THE ENEMY ACT (S. RES. 245, 82d CONG.)

EVERETT MCKINLEY DIRKSEN, *Chairman*

WILLIAM LANGER, North Dakota	ESTES KEFAUVER, Tennessee
ROBERT C. HENDRICKSON, New Jersey	THOMAS C. HENNINGS, Jr., Missouri
JOHN MARSHALL BUTLER, Maryland	JOHN L. McCLELLAN, Arkansas

JOHN W. NAIEN, *Counsel*

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III

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* HEIRLESS PROPERTY

WEDNESDAY, APRIL 14, 1954

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to call, in room 424, Senate Office Building, Senator Everett McKinley Dirksen (chairman of the subcommittee) presiding.

Present: Senator Dirksen (presiding).

Present also: Wayne H. Smithey, professional staff member, Senate Judiciary Committee, and John W. Nairn, counsel to the subcommittee. Senator DIRKSEN. The hearing will come to order.

This morning we will hear testimony on S. 2420, which was introduced in the Senate on July 18, 1953, by Senator Hennings, of Missouri, Senator Langer, of North Dakota, and Senator McCarran, of Nevada. It is the understanding of the Chair that an identical bill has twice passed the Senate but no action was taken thereon in the House of Representatives. We therefore take testimony this morning on S. 2420.

(S. 2420 follows:)

[S. 2420, 83d Cong., 1st sess.]

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

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

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

* "No return may be made to an organization so designated unless it files notice of claim before the expiration of one year from the effective date of this Act and unless it gives firm and responsible assurance approved by the President that (1) it will sell and dispose of and use the property or interest returned to it or the proceeds of any such property or interest for use directly in the rehabilitation and settlement of persons who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and (D) of subsection (a) (2) hereof, by reason of their member-

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ship in the particular political, racial, or religious group of which the former owner was a member and by reason of membership in which such former owner so suffered such deprivation of liberty or so failed to enjoy such rights; (ii) it will transfer, at any time within two years from the time that return is made, such property or interest or the equivalent value thereof to any person whom the President or such officer or agency shall determine to be eligible under section 32 to claim as owner or successor in interest to such owner, by inheritance, devise, or bequest; and (iii) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the property or interest returned to it or the proceeds of any such property or interest) and permit such examination of its books as the President or such officer or agency may from time to time require.

"The filing of notice of claim by an organization so designated shall not bar the payment of debt claims under section 34 of this Act.

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

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

Senator DIRKSEN. Before hearing witnesses, there will be inserted at this point in the hearing a statement by Hon. Thomas C. Hennings, Senator from the State of Missouri and one of the sponsors of the bill, in support of this measure.

(Senator Hennings' statement follows:)

STATEMENT BY SENATOR THOMAS C. HENNING'S IN SUPPORT OF S. 2420

The problem presented by S. 2420 is not a new one. Bills similar to this measure, namely S. 2764 and S. 603, passed the Senate on the Consent Calendars in the 80th and 81st Congresses respectively. For one reason or another, companion bills were not put to a vote in the House.

Briefly, the bill would amend the Trading With the Enemy Act by providing that the heirless property of persons persecuted for racial or political reasons would be turned over to a successor organization to be designated by the President. The bill enjoins the successor organization to employ the proceeds of the property to the relief, rehabilitation, and resettlement of the surviving victims of persecution belonging to the group of which the former owner was a member.

To bring the problem into sharper focus, I should remind the members of this subcommittee that notwithstanding the rigid policy pursued by our Government to vest the assets of German nationals and of the German Government, situated in the United States, and to make the proceeds available for the payment of specific categories of war claims (prisoners of war, civilian internees, religious organizations in the Philippines, etc.), in August 1946 Congress amended the Trading With the Enemy Act to provide for the return of assets belonging to persons persecuted for racial, religious, or political reasons, or their heirs. Presumably because at that juncture no policy was developed with respect to the property of persecutees who died heirless, this problem was not dealt with in the 1946 amendment of the Trading With the Enemy Act.

As it has been repeatedly pointed out to the committees of both Houses of Congress which have had bills identical to S. 2420 under consideration, our Government at the Paris Reparation Conference, in dealing with the identical problem in the United States zone of occupation in Germany, and in connection with the formulation of the satellite treaties, provided the principal initiative in the development of the principle that the heirless property of persecutees shall not escheat to the State in which the property is situated, but, rather, should be dedicated to the relief, rehabilitation, and resettlement of the surviving victims of Nazi persecution. As far as I know, the only situation in which our Government was presented with the opportunity to embody this principle in law, and has failed to do so, has been with respect to the heirless property of victims of

persecution, situated in the United States. The enactment of S. 2420 would close this gap and would bring our domestic policy in line with our foreign policy on this issue.

I should like to make one additional observation.

It relates to the recommendations contained in the final report of the Subcommittee to Examine and Review the Administration of the Trading With the Enemy Act. Among these recommendations is one urging the return of private property confiscated under the Trading With the Enemy Act to individuals not convicted of war crimes. I personally am of the opinion that the issue presented by S. 2420 is separate and distinct from any of the recommendations contained in the subcommittee's report referred to above. I need only point out in this connection that should the Congress decide to return the vested property to former enemy nationals, the property involved in S. 2420 would not be affected by such policy decision since, as I have indicated, there would be no living claimant who would be entitled to this property. S. 2420, in essence, presents a problem separate and distinct from the overall question of returning enemy assets to their former owners, and therefore merits the separate consideration of this subcommittee.

S. 2420 is fundamentally a just measure and is in keeping with the highest tradition of our country. A similar bill has not only passed two separate sessions of the Senate, but has had the unqualified endorsement of every agency of the Government which in the past has been asked to comment on the measure, namely, the Department of State, Department of Justice, and the War Claims Commission. It has also had the enthusiastic support of distinguished citizens, such as Gen. Lucius D. Clay and John J. McCloy, who, as you all know, have faithfully served our country in Germany. In my opinion, the enactment into law of the provisions of S. 2420 is long overdue. I strongly recommend that this subcommittee report the bill favorably and get the bill on its way toward final enactment.

Senator DIRKSEN. We have before us this morning Col. Dallas Townsend, the Director of the Office of Alien Property.

Colonel, if you are prepared, we should be delighted to have your statement.

STATEMENT OF DALLAS S. TOWNSEND, ASSISTANT ATTORNEY GENERAL, AND DIRECTOR, OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE, ACCOMPANIED BY PAUL V. MYRON, DEPUTY DIRECTOR, AND THOMAS H. CREIGHTON, JR., CHIEF, CLAIMS SECTION, OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE

Mr. TOWNSEND. I am here in response to your request for testimony concerning the bill, S. 2420, to amend section 32 of the Trading With the Enemy Act, as amended.

Section 32 of the Trading With the Enemy Act, as amended, permits the administrative return of vested property to persons who, although having World War II enemy status, belong to groups which were the victims of political, racial, or religious persecution by enemy governments. In some cases the vested property of such persons is unclaimed because they died without heirs or because all their heirs themselves later died. S. 2420 would permit the transfer of such "heirless" vested property to American charitable organizations designated by the President. The bill provides that a designated organization would be in the position of a successor in interest of the former owner. The organization would receive the property for the purpose of devoting it to the rehabilitation and settlement of survivors of the particular persecuted group of which the prevesting owner was a member.

The total amount of property to be turned over to designated organizations under this bill would be limited to a maximum of \$3 million. It is not possible to determine at this time whether the amount of property affected by the bill would reach that sum.

Senator DIRKSEN. Colonel, let me ask at this point: I could find no tangible evidence with respect to that estimate. I suppose it is more or less a general estimate based probably upon a percentage of assets that might have been available. I recognize also the difficulty in setting a ceiling of that kind and hitching it to anything that is quite concrete.

Mr. TOWNSEND. Yes, sir.

Senator DIRKSEN. Do you have in mind any basis?

Mr. TOWNSEND. With that in mind and knowing the committee would be interested, I have with me here the Deputy Director, Mr. Myron, and Mr. Creighton of the Claims Section, who have had a great deal more experience, of course, than I have had in the handling of these claims. They can give a better reply to that question than I can. They are here with that very point in mind.

The Department of Justice takes the position that S. 2420 raises a question of legislative policy concerning which it prefers to make no recommendation. However, I believe it may be helpful for me to point out two factors which are pertinent to a consideration of the bill:

1. Passage of the bill would result in an undetermined number of claims by designated organizations and would increase the workload of the Office of Alien Property. However, since the burden of establishing the facts prerequisite to a return would be borne by the claiming organization, it may be anticipated that the processing of the claims will not be a substantial task.

2. Enactment of the bill would diminish the amount of funds ultimately transferable to the war claims fund, which is composed of the net proceeds of vested German and Japanese assets not subject to return under the Trading With the Enemy Act. To date, the Attorney General has transferred the total amount of \$210 million to the war claims fund, including \$60 million transferred pursuant to Public Law 211, 83d Congress, approved August 7, 1953. It is estimated that transfer of the remaining \$15 million authorized by Public Law 211 will leave a relatively small additional balance available for ultimate transfer to the fund. The maximum of \$3 million of returns contemplated by this bill would not, however, exhaust this estimated balance, although it would bring closer the possibility of recourse to the appropriation authorized by Public Law 211, 83d Congress.

Copies of that statement are available to you, Mr. Chairman, and to the committee.

Senator DIRKSEN. Colonel, one administrative chore that I see here is that if you had a number of claiming groups under this authority, it would be necessary for you to make the administrative determination as to how that would be apportioned within the ceiling of 3 million. Is that a correct concept of what is involved here?

Mr. TOWNSEND. I understood that the President would designate the organizations entitled to receive these funds and to which the funds would be allocated.

Senator DIRKSEN. Of that I am aware, except the President would no doubt have to rely upon the Office of Alien Property for at least some hint or suggestion as to how that should be divided.

Mr. TOWNSEND. That is a point I really hadn't considered. The idea of the bill appeals to me for humanitarian reasons, and speaking purely personally, not expressing the policy of the Department, I should hope the bill would be favorably considered. But to tell you the truth, I hadn't analyzed the administration of it far enough to come to any conclusion as to how you would apportion it between eligible and designated organizations. That I had not considered.

Senator DIRKSEN. You might conceivably have 3 or 4 groups or 3 or 4 organizations that might come in and say, "We want to share in this because some of our people come within the purview of this legislation." So the question then is, how do you apportion it as between groups?

Mr. TOWNSEND. I do not know, but just offhand I should think your first inquiry would be what part the claimant organization had had in relieving distress and relieving hardship cases in the persecuted groups. I think an organization which has taken care of, say, just 1 or 2 cases should not stand on the same basis as one which had taken care of thousands of cases.

Senator DIRKSEN. The matter comes sharply to mind because I had a visitor yesterday who I assume comes from one of the Baltic provinces. There is an organization, no doubt, in New York, Chicago, and other places, where they have a substantial number of Balts, and doubtless some welfare organization working among them. You would have a number of persecutees or refugees who might have been successors in interest to property, and they may claim for their group and say, "We believe so much of this out of the 3 million ought to be allocated to our group."

I was wondering about that administrative determination. Someone will have to make it finally, I suppose.

Mr. HYMAN. Senator, if I may answer it, I will try to provide an answer later in my statement.

Senator DIRKSEN. Very well.

Mr. MYRON. I understood, Senator, we would follow the same procedure that we followed in the dual national cases, where a ceiling was put on funds to be returned to dual nationals. In that case it was a question of staying within the ceiling.

I suppose we would have to keep a record of the payments made as a result of this legislation, and see that it is kept within the 3-million limit. I do not think that there is any provision made for pro rata distribution of the funds.

Senator DIRKSEN. If the question arose, it would have to be an administrative determination of some kind, I suppose.

Mr. TOWNSEND. There would be this difference between the dual national situation and the situation that might arise here which I can see quite clearly you have in mind, Senator, and it is this: In the dual national situation you would be in the position of having to allocate between outstanding judgments an amount in total insufficient to meet them. So it would be an arithmetical allocation, like a receivership, for example. But you would not have that situation here, because

there would be no determination. You would be making the determination.

The factors, I think, you would have to consider in making it would be the burden which your claimant organization had been carrying, the magnitude of its objective, whom it was trying to help, and so on.

Mr. CREIGHTON. Senator Dirksen—

Senator DIRKSEN. Will you hold that just a minute, and let me ask Mr. Myron whether he has a prepared statement that he wants to insert in the record at this point.

Mr. MYRON. I don't, sir.

Senator DIRKSEN. Then let me ask you one question before we get to Mr. Creighton, and that is with respect to the question of the estimate here, the \$3 million ceiling.

Or, Mr. Creighton, would you want to testify on that point?

Mr. CREIGHTON. I do not know why this estimate of \$3 million is placed in the bill itself. I imagine that is purely an arbitrary figure based upon the investigations probably made by the various organizations that are interested in the bill. With respect to the apportionment of the money, the bill provides that each organization which the President designates as a successor in interest must file a claim.

Of course, after that claim is filed we would be able to ascertain, from the claims filed by the various organizations, how much property was claimed by each organization, and I presume our determination would be made on that particular amount. If the total claim exceeded \$3 million, there would have to be some apportionment. If it did not exceed \$3 million, then we would return to each successor in interest the amount which they claimed, upon the proper determination.

Senator DIRKSEN. I assume there would have to be some proportional division based upon whatever its file would show.

Mr. CREIGHTON. If it is less than \$3 million, it would not be necessary to make any apportionment between the organizations.

Mr. SMITHEY. Before we leave that point, may I ask a question, Mr. Chairman.

Senator DIRKSEN. Yes, indeed. Mr. Smithey.

Mr. SMITHEY. Mr. Creighton, would it be possible for the same situation to develop here that developed in the case of the return of property to dual nationals?

Mr. CREIGHTON. It would be possible if the total amount claimed by the various organizations exceeded \$3 million. The dual national bill, of course, required us to consider the claims in the order of their filing and to return the first filed first. It did not provide for any apportionment. It just said when you reached the \$5 million limitation you quit returning any property.

If this estimate here is right and the total amount of property claimed by the various designated organizations does not exceed \$3 million, then you would not have the question of apportionment.

Mr. SMITHEY. Would you have the question of the value of the property to be returned, or would you determine this amount, as you seemed to indicate a moment ago, on the amount of the claim filed by the organization?

Mr. CREIGHTON. We would determine the amount based upon the amount of the claim filed by the organization, and see whether or not

we actually received that amount of property. We would know exactly what property we had taken of that deceased person.

Mr. SMITHEY. The property to be returned would have a value on your books, would it not?

Mr. CREIGHTON. That is right, sir.

Mr. SMITHEY. But there is a difference between the book value and the actual cash value as of the date of the return, sometimes; is that not true?

Mr. CREIGHTON. That is true, but I think we would have to wait until the time had expired for the filing of all claims by the organization before we could process any particular claim.

Mr. SMITHEY. I am in perfect agreement with you there. What I am seeking to establish is that if the amount exceeds \$3 million, there will be placed upon the Office of Alien Property the administrative burden of determining the actual cash value as of the date of return.

Mr. CREIGHTON. That is right.

Mr. SMITHEY. That was the very thing that I understood the Department sought to avoid in the case of the dual nationals when it came to the Congress and asked to be relieved of that obligation.

Mr. CREIGHTON. One reason for that, Mr. Smithey, was that the dual national bill was a little different, because it provided that returns should be made in the order in which the claims were filed. It is true that we did have a burden, because so many of the returns made to dual nationals were interests in estates and trusts, and we had to get an actuarial computation of the value of that particular remainder or contingent remainder or vested remainder or life interest in the income.

It might be you have the same situation here. I just can't tell you. We will have it if it is interest in estates and trusts which has not been litigated or if it is a remainder interest or life interest.

Mr. SMITHEY. It is entirely possible under this limitation, then, that you will be confronted with the same difficulties that were encountered in the dual national situation?

Mr. CREIGHTON. That is right; that is a possibility.

Mr. SMITHEY. Do you see any reason why this limitation should be in the bill?

Mr. CREIGHTON. You mean me personally?

Mr. SMITHEY. Yes, sir.

Mr. CREIGHTON. If the Congress decides, in its wisdom, that such legislation is advisable, I see no reason why there should be any limitation on it whatsoever. I see no basis for a limitation.

Mr. SMITHEY. I have no further questions along that line, Mr. Chairman. I do have some further questions of Mr. Townsend.

Senator DIRKSEN. Fine. Let's have them right now.

Mr. SMITHEY. All right, sir, if that is agreeable with the Chair.

Colonel, in the bill itself, S. 2420, the very first sentence thereof, you will notice it says:

The President may designate one or more organizations as successors in interest of its deceased persons who, if alive, would be eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a) (2) thereof.

It may be pertinent at this point, Mr. Chairman, to have the provisions of those subdivisions included in the record.

Senator DIRKSEN. I think so. Without objection, that will be inserted.

(The material referred to follows:)

§ 32. *Return of property—(a) Conditions precedent.*

The President, or such officer or agency as he may designate, may return any property or interest vested in or transferred to the Alien Property Custodian (other than any property or interest acquired by the United States prior to December 18, 1941), or the net proceeds thereof, whenever the President or such officer or agency shall determine—

(1) * * *

(2) That such owner, and legal representative or successor in interest, if any, are not—

(A) * * *

(B) * * *

(C) an individual voluntarily resident at any time since December 7, 1941, within the territory of such nation, other than a citizen of the United States, or a diplomatic or consular officer of Italy or of any nation with which the United States has not at any time since December 7, 1941, been at war: *Provided*, That an individual who, while in the territory of a nation with which the United States has at any time since December 7, 1941, been at war, was deprived of life or substantially deprived of liberty pursuant to any law, decree, or regulation of such nation discriminating against political, racial, or religious groups, shall not be deemed to have voluntarily resided in such territory; or

(D) an individual who was at any time after December 7, 1941, a citizen or subject of Germany, Japan, Bulgaria, Hungary, or Rumania, and who on or after December 7, 1941, and prior to the date of the enactment of this section [March 8, 1946], was present (other than in the service of the United States) in the territory of such nation or in any territory occupied by the military or naval forces thereof or engaged in any business in any such territory: *Provided*, That notwithstanding the provisions of this subdivision return may be made to an individual who, as a consequence of any law, decree, or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial, or religious groups, has at no time between December 7, 1941, and the time when such law, decree, or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation: *And provided further*, That, notwithstanding the provisions of subdivision (C) of this subsection and of this subdivision, return may be made to an individual who at all times since December 7, 1941, was a citizen of the United States, or to an individual who, having lost United States citizenship solely by reason of marriage to a citizen or subject of a foreign country, reacquired such citizenship prior to September 29, 1950, if such individual would have been a citizen of the United States at all times since December 7, 1941, but for such marriage: *And provided further*, That the aggregate book value of returns made pursuant to the foregoing proviso shall not exceed \$9,000,000; and any return under such proviso may be made if the book value of any such return, taken together with the aggregate book value of returns already made under such proviso does not exceed \$9,000,000; and for the purposes of this proviso the term "book value" means the value, as of the time of vesting, entered on the books of the Alien Property Custodian for the purpose of accounting for the property or interest involved; or

Mr. SMITHEY. You will notice in the law, Colonel, that under subdivision (D) there are two provisos, one relating to political, racial, or religious persecutees, and the other relating to the dual nationals. Is it the intent in this legislation, as you perceive it, to permit the President to designate an organization to succeed to the property of a dual national who may have died?

Mr. TOWNSEND. I should not interpret it that way, no.

Mr. SMITHEY. You do not interpret it that way. Yet that is one of the provisos under (D), is it not?

Mr. TOWNSEND. It seems to be. You mean there may be a legislative conflict there?

Mr. SMITHEY. My only point is, there may be an ambiguity there.

Mr. MYRON. It certainly wasn't intended to be included, in my opinion.

Mr. SMITHEY. As the Administrator, you may well be confronted with that unless there is some legislative history made with respect to it.

Mr. CREIGHTON. I think it should be clarified if there is any doubt.

Mr. TOWNSEND. It never occurred to me to take it that way, but I see the point Mr. Smithey makes. Theoretically, I suppose it would be possible.

Mr. SMITHEY. Further along that line, in order that we may fully develop the record, return could be made under section 32, then, to persecutees and to these dual citizens, and we will eliminate the dual citizens for the moment because apparently it is the agreement that there is no intent to permit the return of that property under these provisions.

Under the decisions of the examiners of the Office of Alien Property, what groups of persons would be entitled to return as persecutees under section 32 (a) (2) (C) and (D)?

Mr. TOWNSEND. I can't give you the language of the statute, but you have to show that you have been deprived of your right of citizenship by some decree, law or order—of the German Government in this case.

Mr. SMITHEY. And that you must not at any time have enjoyed full rights of citizenship between the commencement of the war and the end of the war; is that correct?

Mr. CREIGHTON. To the date on which such laws were repealed.

Mr. SMITHEY. What groups of persons would qualify under that designation?

Mr. TOWNSEND. Before we leave that other point, I would not want to agree that you would have to show that the person concerned, the claimant, had been deprived of rights of citizenship at all times, because there might have been a period at the beginning of the war when he was not. The history of the Nazi business was that it got worse as it went along. You might get a group that was not deprived of rights of citizenship, let us say, in 1941, but was in 1942.

The real test, it seems to me offhand, should be whether the person was discriminated against on religious or political or racial grounds during the material time that you are talking about when the property was taken or when he was denied his right to work or to own property, or whatever the denial may have been.

Mr. SMITHEY. May I read you the statute in that connection, Colonel—

Mr. TOWNSEND. Isn't that what it says?

Mr. SMITHEY. To see if I misphrased it in any respect. The proviso reads, under (D)—and there is a similar provision under (C)—as follows:

Notwithstanding the provision of this subdivision (D), return may be made to an individual who as a consequence of any law, decree, or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial, or religious groups, has at no time between December 7, 1941, and the time when such law, decree, or regulation was abrogated enjoyed full rights of citizenship under the law of such nation.

Mr. TOWNSEND. There is a difference between having a right theoretically and having it denied to you practically. The denial I am talking about is the denial that operates on the person at the time, that he cannot do this and cannot do the other.

Mr. SMITHEY. Colonel, earlier this morning I called Mr. Creighton and asked that I be furnished with a copy of an opinion by a hearing examiner.

Mr. TOWNSEND. Mr. Jones.

Mr. SMITHEY. I think his name is Mr. Jones.

Mr. TOWNSEND. In the case of Bronislaw L. Beilin. Yes, I got your message.

Mr. SMITHEY. May I see that, sir?

Mr. TOWNSEND. Page 23 contains the language you are looking for.

Mr. CREIGHTON. Pages 23 and 25. There is another one, too.

(Discussion off the record.)

Mr. CREIGHTON. Unless it is sure that the national interest provisions of section 32 apply, I think it should be made certain that those provisions with respect to national interest in section 32 have application to these returns here. It would be only in the case of Communists, I think, that we would ever want to use them. I think it should be made certain that we can use them if we should have any Communists, but I can't imagine the President designating any organization involving such a claim.

Mr. SMITHEY. I can't, either.

The point is that we are making legislative history, and you will be called upon again to make an administrative determination.

It is your view, and you express it now to the committee, that the provisions of (a) (2) (5) would apply to this measure as well as to the rest of the section?

Mr. TOWNSEND. That is the national interest provision?

Mr. SMITHEY. Yes.

Mr. TOWNSEND. Absolutely; certainly.

Senator DIRKSEN. It could be nailed down, of course, by simply inserting the phrase "Whenever the President finds it to be in the national interest, he may designate," and that would simply reaffirm it so there could be no doubt about what is involved.

Mr. TOWNSEND. Or "may designate when not inconsistent with the national interest." To throw in a phrase like that would remove any possible doubt.

Mr. SMITHEY. The next point I would like to explore with you for a moment, if we may: We have three types of persecutees: political, racial, and religious. When the President designates a successor organization, will that organization be limited in its application to those who have been persecuted, if it is a religious group, for instance, because of religion? Suppose, for instance, the man was persecuted for a political reason; would the organization then be denied the right to secure that property under the bill?

Mr. TOWNSEND. The organization is to be designated as the successor in interest of certain deceased persons, the estates of deceased persons.

Mr. SMITHEY. That is the point I want to get to. Is it designated to receive the assets of a given person, or generally to receive assets?

Dr. GRAY. My understanding is it is the assets of a given person.

Mr. SMITHEY. There could not be a broad designation by the President that an organization is entitled to receive property of all persons who were persecuted as a result of religious persecution.

Dr. GRAY. No. This is not a grant of money. This is merely to avoid escheating.

Mr. SMITHEY. I understand that, but the question is whether there could be a general designation sufficient to permit that organization to receive all property of persons similarly situated, or whether it must be an individual.

Mr. TOWNSEND. The question you have in mind is whether there would be a designation of one or more to succeed as a class, or whether you designated individuals or organizations to succeed to given interests?

Mr. SMITHEY. That is right.

Mr. TOWNSEND. I haven't thought all this through, because naturally before administering a section like this we would have to have a conference of the staff and try to think of the problems that had to be considered, and lay down some rules about it.

But just as a question of first impression, as you put it now, I should imagine that it would work something like this: The Office would report, through the Attorney General, that it had on hand assets belonging to A, B, C, and D deceased persons, with no eligible claimants or known claimants who would, if they had survived, be entitled to claim as persecutees.

You report that. Perhaps also you would have to report whether it was racial or political or religious.

Then the President, I imagine, having received that report, would designate organizations X, Y, Z, or alpha, beta, gamma, delta, and so on, to succeed to those interests as designated below, A, B, and C, to such-and-such; and D, E, and F to such-and-such.

That is the way it seems to me it might work out.

Then we would take that, and if we had to make an allocation to two or more organizations designated to succeed to the same interest, then would come up the question which you, Mr. Chairman, indicated in your opening remarks, namely, how would you apportion their relative interests if you had to divide them?

I said then, in response to your question, that I thought you would have to consider the objectives and perhaps the record of the organization, how many refugees had been aided, and so on.

Mr. SMITHEY. With respect to section 2, which provides an additional year in which to file—and it does so by amending section 33—you will recall, I am sure, Colonel, that the Congress recently passed legislation extending the time for filing under section 33 for 1 year.

Mr. TOWNSEND. That is right, to take care of some hardship cases brought to the attention of the Congress.

Mr. SMITHEY. That is correct.

Would it be necessary, in your mind, to retain this provision in the bill, in view of that amendment by the Congress?

Mr. TOWNSEND. Offhand, it seems academic. I don't see what particular necessity there is for retaining it. It wouldn't do any harm to leave it in if you want to remove any possible doubt.

Senator DIRKSEN. It simply reaffirms existing law.

Mr. SMITHEY. This would extend it, as I see it, beyond the time for these persons, beyond that period which the previous law would extend it for the others.

Mr. TOWNSEND. You may have a point there. Perhaps it would be better to leave the extension in here, because they might not take effect at the same times at all, for instance. If this were delayed in passage or took effect much later, then the people entitled to file later claims under the other section might not be benefited very much, unless you had a stated period here, as you have, within which claimants under this law may file claims. Don't you think so?

Mr. SMITHEY. I am simply interested in getting your views on the record, sir. I do not mean to usurp the functions of a witness here. There was one further point with respect to language.

Mr. TOWNSEND. We want your views on it, too. We have to administer it.

Mr. SMITHEY. I will be glad to give them to you, sir.

With respect to the language on line 18, page 2, under (i), the language is, "it will sell and dispose of and use the property or interest returned to it * * *." Do you know why the conjunctive was used rather than the disjunctive in that respect; and also, would you deem it preferable to insert the word "or" instead of "and" at that point?

Mr. TOWNSEND. It would seem so to me. I think it would be better draftsmanship.

Mr. SMITHEY. It would be difficult for them to sell and dispose and still use the property.

Mr. TOWNSEND. The statute would have to be construed a little bit. A little construction would handle that. I would not take all those three things in the conjunctive if I were trying to administer it.

Mr. SMITHEY. Do you perceive it to be proper under this sentence for an organization designated as a successor in interest to take a given piece of property, say stocks, and hold that stock and only use the income from the stock for the relief of suffering or persons who had been deprived of full rights of citizenship?

Mr. TOWNSEND. There, again, I think once you have turned it over to the organization under the law, the organization has title, and that is theirs to do as they please with it.

Dr. GRAY. I don't think it could hold the stock. I think the mandate is to dispose.

Mr. SMITHEY. What does the word "use" mean there?

Dr. GRAY. To use the proceeds.

Mr. SMITHEY. To use the proceeds, not the property?

Dr. GRAY. That is what I would say, unless in some specific instance the nature of the property might be such that it could be used directly for rehabilitation. There might be some such property, conceivably. It would have to be used directly for rehabilitation.

Mr. CREIGHTON. Why do you use the words "it will sell and dispose of"? Why wouldn't it accomplish the purpose if you deleted the words "sell and dispose of," so it would read

it will use the property or interest returned to it or the proceeds of any such property or interest for use directly in * * *

Senator DIRKSEN. It could be some type of property which could not be used to advantage at a given time.

Dr. GRAY. It might be a piece of real property to be converted to a hospital or home.

Mr. TOWNSEND. I want to comment on that. I think it would be very unwise to pass a statute which would charge the Office of Alien Property or any other agency with the job of enforcing a trust, so to speak. I think when the money is properly paid over to the beneficiary, the responsibility of the agency paying it over is finished. I would not want for a moment to be put in the position of having any duty to see that it was spent wisely as you or I might think, or unwisely as somebody else might think. I think our duty would be to pay it over.

I suppose the probability or possibility of making unwise use of it might be considered before you turned it over. You might look at the record of the organization. But you would not be entitled to go to the organization a year later, for example, and say, "Account for the money we paid over to you. I want to attach that to my report." That is beyond us.

Senator DIRKSEN. It does, of course, provide for a report. I think you are right, that great administrative difficulty would ensue if you go behind the report and have to evaluate in every case whether or not "X" dollars were used for a worthy cause.

Mr. TOWNSEND. That is what I have in mind, sir. I can foresee quite easily that people would be criticizing the use of the money, and you would be getting letters from someone saying they didn't give John something but they gave Tom something, and all that sort of business. We want to steer away from that part of it.

Mr. SMITHEY. Colonel, the question was directed not so much to that phase, but to the authority of the organization to use the property, either to hold it or to dispose of it, when it succeeds to it.

Mr. HYMAN. I think it has that power under this provision, and it should have that for the reason that Senator Dirksen points out: that you may have the property in such form that it may not be profitable to dispose of it at a certain time, and this gives the organization the blanket authority to use it pending the disposition, and then use the proceeds after disposition.

Mr. CREIGHTON. Strike out "sell and dispose of and". Wouldn't that give you all the authority you want? It would then read—

it will use the property returned to it or the proceeds of any such property or interest for use directly in the rehabilitation—

and so forth. It seems to me that the other words are redundant in there.

Mr. HYMAN. I think that is correct.

Senator DIRKSEN. Now, Mr. Hyman?

Mr. HYMAN. Professor Gray would like to appear next.

Senator DIRKSEN. Let me put in at this point a statement we received from Mr. Whitney Gilliland, Chairman of the War Claims Commission. They aver, of course, that they have no particular interest in the matter, but since we circularized all who might be interested, I believe it would be appropriate to insert the statement at this point.

(The statement referred to follows:)

STATEMENT OF WHITNEY GILLILAND, CHAIRMAN, WAR CLAIMS COMMISSION

Mr. Chairman and members of the subcommittee, let me express my appreciation for this opportunity to appear before you in connection with proposed amendments to the Trading With the Enemy Act now before you, particularly the bill, S. 2420. This bill proposes to amend section 32 by authorizing the President to designate certain nonprofit, charitable corporations as successors in interest to deceased claimants who would otherwise be eligible to the return of property under the provisions of subdivision (C) or (D) of section 2 (a). It also limits the total of returns to such successors to \$3 million and prescribes certain other conditions for their allowance.

The War Claims Commission, as a general rule, does not concern itself with proposed amendments to the Trading With the Enemy Act unless the war claims fund would be affected thereby, or unless any proposed amendment would conflict or interfere with provisions of the War Claims Act which are administered by the Commission. For that reason, Mr. Chairman, my remarks will be confined to such aspects of the bill. The war claims fund was established on the books of the United States Treasury by section 13 of the War Claims Act. It consists of all sums covered into the Treasury pursuant to section 39 of the Trading With the Enemy Act, as amended. It represents the net proceeds of vested German or Japanese assets in the hands of the Alien Property Custodian and transferred by him to the Treasury. It is the only source for payments to claimants under the War Claims Act.

This bill, S. 2420, insofar as it would tend to deplete German or Japanese assets that might otherwise be available for payment of war claims, is the direct concern of the Commission. Although it would permit some additional payments under section 32 of the Trading With the Enemy Act, it appears that the effect on the war claims fund would probably be very negligible. In general, the return of any property under section 32, for example, cannot be made if it was owned by the former German or Japanese Governments, by German or Japanese corporations or associations, or by citizens or subjects of those countries unless such citizens or subjects were mistreated, persecuted, or killed for political, racial, or religious reasons.

The Commission is not in a position to estimate, with any degree of certainty, how much property might be returnable to Japanese or German owners which in turn would become returnable to designated organizations under S. 2420. It is believed, however, that the restrictions placed upon such returns under existing law and under S. 2420, would reduce the potential drain on the war claims fund virtually to zero.

There appear to be sufficient assets in the war claims fund and in the payment of claims account, which is derived from the war claims fund, to permit the Commission to meet its presently assigned claims obligations. As of April 1 this year, there was a balance in the fund of \$52,794,397.33 which is currently available for the payment of approximately that amount of remaining claims, including those adjudicated and certified for payment out of the fund by the Bureau of Employees Compensation in the Department of Labor under section 5 (f) of the War Claims Act of 1948.

The War Claims Commission cannot properly comment on the merits of this bill. However, it stands ready to provide any information of a general nature related to the duties of the Commission or the effect of S. 2420 on its operations, which the committee may deem to be appropriate.

Senator DIRKSEN. Now we will hear from Dr. Herman A. Gray, representing the American Jewish Committee.

STATEMENT OF DR. HERMAN A. GRAY, REPRESENTING THE AMERICAN JEWISH COMMITTEE

Dr. GRAY. Mr. Chairman, my name is Herman A. Gray. I am a professor of public administration at New York University. I testify on behalf of the American Jewish Committee in my capacity as chairman of its foreign affairs committee.

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

Enactment of the proposed legislation has repeatedly been urged by all interested Government departments. The Department of State has stated that its passage "is highly desirable as an aid in carrying out the foreign policy of the United States." The Department of Justice has also been consistent in its support (S. Rept. No. 781, on S. 803, 81st Cong., 1st sess., pp. 7, 12, and 13). Throughout the 80th, 81st, and 82d Congresses, the proposal had bipartisan sponsorship. It enjoys bipartisan sponsorship in the 83d Congress as well.

In both the 80th and 81st Congresses, bills to the same effect were passed by the Senate on the Consent Calendar. In the 81st Congress, a similar bill was approved by the House Interstate and Foreign Commerce Committee. It was, however, objected to on the Consent Calendar of the House and no consent was granted by the House Rules Committee. As a result, the bill expired with the 81st Congress. In the 82d Congress, on the call of the calendar of unopposed bills, the bill was passed over on the floor of the Senate.

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

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

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

The justice of the proposed amendment becomes particularly clear when it is remembered that had these properties remained in Western

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

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

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

Senator DIRKSEN. Thank you, Dr. Gray.
Now, what about you, Mr. Hyman?

STATEMENT OF ABRAHAM S. HYMAN, REPRESENTING THE AMERICAN JEWISH CONGRESS

Mr. HYMAN. I am appearing in behalf of the American Jewish Congress, of which I am a member.

The American Jewish Congress has asked me to appear on its behalf in support of this measure, primarily because of my familiarity with the problem dealt with in this bill.

I personally first encountered the problem involved in S. 2420 in 1946. Then in Germany with the Armed Forces of the United States, I had an assignment which acquainted me with the progressive stages leading up to the promulgation of a restitution law for the United States Zone of Germany.

While the war was in progress, the United States had joined 16 other nations in asserting the right to declare invalid all transfers of property in enemy-controlled areas. In line with this declaration and with a Joint Chiefs of Staff directive, Gen. Lucius D. Clay, promptly upon his assumption of duties as United States Military Governor, devoted himself to the task of securing a restitution law for the United States Zone of Germany.

His first effort was with the German Laender comprising the United States Zone. He tried to induce them to enact a law which would restore to persons persecuted for racial, religious, or political reasons the property in the zone of which they had either been wrongfully deprived or which they had transferred under duress. He further

proposed that property belonging to persecutees who had died heirless be turned over to successor organizations representative of the groups to which the former owners belonged, for the relief, rehabilitation, and resettlement of the surviving members of the respective groups.

When, after a lapse of time, General Clay became convinced that the German authorities would not enact a law embodying the minimal provisions which he felt such a law should contain, he decided to promulgate such a law in his capacity as military governor.

I am proud to say that the Adenauer government has, since being established, recognized the very principle for which this bill stands. The reference in my statement to General Clay's efforts relates to his efforts with the individual Laender before the Federal Republic of Germany was established, but the principle involved in S. 2420 is actually incorporated in the contractual agreement with Germany which the Federal Republic of Germany voluntarily entered into.

Before promulgating a law in his capacity as military governor of the United States Zone of Germany, General Clay approached his counterparts in the other occupation zones with the view of getting concurrence on a quadripartite restitution law applicable to the whole of Germany. Had Clay been prepared to yield on the issue of heirless property—had he, for example, been willing to accept the Russian formula, that such property shall escheat to Germany, in which case Germany would have profited by its own genocide, or the French and British formula of limiting the expenditure of the proceeds on behalf of the survivors living in Germany, in which case the provision would have been an empty gesture since most of the persecutees had emigrated from Germany—he could have achieved either a bizonal or trizonal law.

However, General Clay quite properly felt that he could not reconcile either position with that asserted by the United States representatives at the 1945 Paris Reparation Conference. There we had successfully maintained that heirless property in neutral countries belonging to enemy nationals who had been the object of persecutory measures are distinguishable from other enemy assets in those countries, and that while the latter may enter the general reparations pool, the former must be used exclusively in the rehabilitation of the nonrepatriable victims of nazism. In any event, when he found that the occupying powers refused to accept his formula on the use of heirless assets of persecutees, he reluctantly sacrificed the advantages of a multizonal law and promulgated Military Government Law 59. This law treats heirless property of persecutees, situated in the United States Zone of Germany, the same way as S. 2420 proposes to deal with similar property situated in the United States.

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

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

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of 1948, to administer the claims of prisoners of war, of civilian internees, and of certain religious organizations in the Philippines. The source for the payment of these claims is the war claims fund, established by the War Claims Act. The fund consists of the proceeds of the German and Japanese assets seized under the Trading With the Enemy Act. For obvious reasons the War Claims Commission jealously guarded the proceeds of the German and Japanese assets. To my knowledge, the Commission gave its approval to only one bill, the enactment of which would reduce the amount of the assets available for the payment of war claims. That single exception was in the case of a measure identical with S. 2420, introduced in the 81st Congress.

I hasten to add that the Commission's favorable report was not the result of any persuasion on my part, for the Commission submitted its report on that bill before I joined its staff. The Commission apparently recognized that it would not be in accord with our sense of justice to treat property belonging to families which had been completely annihilated by the enemy as "enemy property" and to use the proceeds of this property to pay the war claims of men who had fought to arrest the Nazi complex of which the former owners were the victims.

I should like to add that while with the War Claims Commission, I directed the Study on War Claims Arising Out of World War II. The Commission's report, based on this study, is House Document 67, 83d Congress, 1st session. In connection with this assignment, I made an analysis of the treaties of peace concluded with the satellite countries in 1947, and found that principally as a result of the United States' initiative, the Hungarian and Rumanian treaties incorporated provisions with respect to heirless property of persecutees, situated in these countries, virtually identical with the provisions of S. 2420.

More currently, as a member of the American Jewish Congress, I encountered the heirless property question in the negotiations between representative Jewish organizations and the Austrian Government with respect to the heirless property of Jews who lived in Austria and who were the victims of nazism. These negotiations are now in progress. The American Jewish Congress gratefully acknowledges the fact that the Eisenhower administration, as the preceding administration, has, through the State Department, actively supported the effort to have Austria make available for the surviving victims of nazism at least part of the value of the heirless property of the victims of nazism situated in Austria.

It is apparent, then, that the United States has had an unbroken record on how to deal with the heirless property of the victims of nazism. To its credit, the United States has been the first and the chief protagonist of the principle that such property must not be merged with the funds of the state where the property is situated but, rather, must be employed on behalf of the survivors of the groups to which the persecutee owners belonged.

I am certain that it is not the wish of the Congress to make the only exception in the case of the heirless property which happens to be within the continental limits of the United States. To make that exception, either by an affirmative act or by the failure to act, would be an instance of ambivalence which would be very difficult to explain; even harder to justify.

Experience with Military Government Law 59 reveals that the problem of heirless property arises principally with respect to the property of Jewish victims of Nazism. This follows from the nature of Hitler's merciless war against the Jews who came under his control. While he destroyed individual members of the Christian faith, either because they protested openly against his brand of nihilism or because they held political beliefs which he regarded hostile to his regime, as a general rule he directed his attack against the specific individuals and left the families of these Christian victims intact.

I direct your attention to the fact that survivors of these individuals who might have died as a result of aggressive act on the part of the Nazis are eligible to recovery of the vested property under a 1946 amendment of the Trading With the Enemy Act. By contrast, Hitler regarded all Jews—men, women, and children—as unworthy of life, and therefore exterminated them en masse.

The tragic consequence of this policy was that in countless cases entire Jewish families were wiped out.

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

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

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

Senator DIRKSEN. Thank you, Mr. Hyman.

Mr. HYMAN. I would like to make one more statement.

Senator DIRKSEN. It must be brief, because I will be called to another committee meeting directly.

Mr. HYMAN. First, General Clay has asked me to deliver to you a letter accompanied by a statement which he asked to be incorporated in the record.

In view of the pressure of time, I think the point I was going to cover has already been covered. I was going to refer particularly to the reason why the \$3 million ceiling was imposed, but I am willing to let the record stand as it is.

Senator DIRKSEN. Fine.

Then we will insert General Clay's letter, dated April 13, 1954, and the memorandum which comes with it, a statement by General Clay before the subcommittee of the Committee on Interstate and Foreign Commerce of the House on S. 603, H. R. 1849, and H. R. 2780. I think that will speak for itself.

(The letter and statement referred to follow :)

APRIL 13, 1954.

HON. EVERETT DIRKSEN,
Chairman, Subcommittee on Trading With the Enemy Act,
Committee on the Judiciary,
United States Senate, Washington, D. C.

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

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

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

Sincerely yours,

LUCIUS D. CLAY.

STATEMENT OF LUCIUS D. CLAY

S. 603, which passed the Senate last August, and its companion bills, H. R. 1849 and H. R. 2780, are before a special subcommittee of the House Committee on Interstate and Foreign Commerce. These bills amend the Trading With the Enemy Act so as to permit heirless property formerly owned by persecutees to be turned over to relief organizations approved by the President.

In 1948 Congress amended the Trading With the Enemy Act to permit victims of Nazi persecution as well as their heirs to recover property formerly belonging to such victims and vested in the Alien Property Custodian. It is now clear that some of the property of persecutees is heirless, as a result of entire families being wiped out by the enemy. The proposed amendment provides that relief organizations representing the group to which the deceased owner of the property belonged may be designated as "successor in interest" in respect to such heirless property, the funds so recovered to be used for rehabilitation of surviving members of the group.

Enactment of this legislation will promote the policy adopted by Congress in 1948. That policy is that property belonging to "enemies or our enemies" should not be deemed enemy property and should not be used for reparations or to pay American war claimants. It will also be in aid of United States policy in respect to heirless property of persecutees located in the American Zone of Germany.

The persecutees and their need for assistance

I take the liberty of recalling a few of the facts regarding the experiences of the Jewish people under Hitler, who of course bore the brunt of the terrible forces unleashed by the Nazi government and are the group most directly affected by the instant bill.

The pre-Hitler Jewish population in Europe consisted of 7½ million persons, outside of the Soviet Union where the figures are not accurately known. In Germany alone, from which most of the property which is here under consideration originated, the Jewish population amounted to 600,000. The Jews of Europe comprised an old and honored community which had rendered vast contributions to the cultural, scientific, and economic upbuilding of that continent. To this large and helpless population and to this cultural heritage everywhere in Europe, Hitler directed his instruments of destruction. Six million of the seven and one-half million Jews were killed outright. This was a program without parallel in history.

The representatives of the United States Government in Germany have seen at first hand some of the results of this program. They have seen the plight of the survivors, first in the concentration camps and later in the displaced persons camps. The needs of the survivors were and continue to be enormous—physically, spiritually, and economically.

The work of the relief organizations

Private charitable organizations have worked with the United States occupation forces in Europe and the International Refugee Organization in caring for survivors of German persecution. Much has been done to rehabilitate and

resettle these survivors, but the task is far from completed and the need for funds is great.

I can assure you of the high caliber of work performed by these charitable organizations. I can assure you also that any funds made available by this legislation to charitable organizations designated by the President can be put to good use for resettlement of persecutees.

Military government policy toward heirless property

Apart from the efforts which were made in Germany and elsewhere to keep these survivors alive, it was the established policy of the Allied Powers to undertake the restitution of the property which had been plundered by the Hitler regime. It was, in fact, an important objective of the occupation forces. Military government law 59 in the United States Zone of Germany and similar laws in the British and French Zones were passed, which provided for restitution of identifiable property which had been taken away from the owners on religious, racial, or political grounds.

It was apparent that special steps would also have to be taken in the case of property found to be heirless and unclaimed. This was accomplished in the United States Zone of Germany by part III, articles 10 and 13, of military government law 59, which provides that a successor organization appointed by military government shall, instead of the state, be entitled to the estate of any persecuted person dying without heirs. The British have taken similar steps for their zone, and the French also have recognized the need for special treatment of this problem.

The United States occupation forces in Germany are plainly committed to the policy that heirless property of members of persecuted groups located in the American occupation zone be used for the benefit of the surviving members of those groups. This policy, I submit, is eminently fair and just.

Relationship of proposed amendment to United States policy in Germany

The enactment of S. 603, which permits heirless property of persecutees vested in the Alien Property Custodian to be turned over to relief organizations, would be entirely consistent with the policy of our military government. Heirless property of persecutees, whether located in the American Zone of Germany or in the United States, would be treated in the same fashion.

On the other hand, if the United States were now to use heirless property of persecutees located in the United States for its own purposes, to pay war claimants, I believe it would subject our occupation forces to severe criticism from the German people as well as from the other countries now occupying Germany.

On these grounds, as well as on those outlined earlier in this statement, I advocate passage of S. 603.

Senator DIRKSEN. Is there anybody else who wants to be heard this morning?

Mr. JAMES A. TAWNEY. Mr. Chairman, I am Mr. Tawney, legislative attorney for the War Claims Commission, and I am here merely to submit for the record the statement of the Chairman, which he was invited to make, but he was unable to appear.

Senator DIRKSEN. Is that the statement of Mr. Gilliland?

Mr. TAWNEY. That is correct.

Senator DIRKSEN. I think he did send us a copy, and we have already included it in the record, Mr. Tawney.

Mr. TAWNEY. That is fine. Thank you very much.

Senator DIRKSEN. Is this an elaborated statement of what he sent us?

Mr. TAWNEY. It is the same statement. I did not know that you had inserted it.

Senator DIRKSEN. We will recognize your appearance before the committee, and we will insert it in the record.

Is there anybody else? If not, the subcommittee, being without a quorum, cannot act until we get a quorum to take further note of the bill. So we will be adjourned.

(Whereupon, at 11 a. m., the subcommittee adjourned.)

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1 HEARINGS

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COMMITTEE ON THE JUDICIARY

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am glad to note since 1955. Two Huddleston's so to speak in a single era call of such distinguished service to our time is a special kind of favor conferred upon the Congress and the country. This Nation has an enormous strength in its people and the image of that strength is dramatically presented to us in the life and personality of such men as my late dear friend, George Huddleston.

AMENDING TRADING WITH THE ENEMY ACT TO PROVIDE CERTAIN PAYMENTS FOR RELIEF AND REHABILITATION OF NEEDY VICTIMS OF NAZI PERSECUTION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 457 and ask for its immediate consideration.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. BOLLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 8]

Butch	Dawson	O'Neill
Boykin	Delaney	Osmers
Brown, Mo.	Dent	Passman
Buckley	Forand	Powell
Budge	Grant	Preston
Burdick	Hargis	Reece, Tenn.
Burleson	Hollifield	Reuss
Byrnes, Wis.	Huddleston	Rivers, S.C.
Cabill	Irwin	Sheppard
Canfield	Jensen	Siler
Chipperfield	Kilday	Smith, Miss.
Cook	McGinley	Spence
Cooley	Meyer	Thompson, La.
Davis, Ga.	Miller	Williams
Davis, Tenn.	George P. Mitchell	Willis
	Morris, N. Mex.	Wilson
	Morrison	Zelenko

The SPEAKER pro tempore. On this rollcall, 378 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING TRADING WITH THE ENEMY ACT TO PROVIDE CERTAIN PAYMENTS FOR RELIEF AND REHABILITATION OF NEEDY VICTIMS OF NAZI PERSECUTION

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution (H. Res. 457), as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6462) to amend the Trading With the Enemy Act, as amended, so as to provide for payments for the relief and rehabilitation of needy victims of Nazi persecution, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined

to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. Brown] and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 457 makes in order the consideration of H.R. 6462 to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution. The resolution provides for an open rule, waiving points of order, and 1 hour of general debate.

The principal purpose of the bill is to provide for a \$500,000 lump-sum settlement of all claims of successor organizations for return of heirless vested property pursuant to section 32(h) of the Trading With the Enemy Act, which was added by Public Law 626, 83d Congress. That section today authorizes the return to a designated successor organization—the Jewish Restitution Successor Organization—for use in rehabilitation of needy persecutees, of up to \$3 million of vested property of individuals who, if alive, would be eligible for return thereof, as persecutees of our former enemies.

During World War II, pursuant to the Trading With the Enemy Act, property located in the United States which was owned by enemy nations was vested by the United States. Public Law 671, 79th Congress, provided that vested property could be returned to its former owner, or his successor in interest, under certain specified conditions.

In many cases, persons who otherwise would have been entitled to return of property under Public Law 671, together with their families, were exterminated by our wartime enemies. In recognition of this, on numerous occasions, the United States has taken the position that the assets of persecuted persons who have died without heirs should be used for rehabilitation and resettlement of surviving persecutees.

By Executive Order No. 10587, of January 13, 1955, the President designated the Jewish Restitution Successor Organization, a charitable membership organization incorporated under the laws of New York, as successor in interest to such deceased persons.

That organization presently has pending with the Alien Property Custodian a total of 1,800 claims under section 32(h) of the Trading With the Enemy Act. No payments have as yet been made under section 32(h), primarily because of the difficulties attendant upon proof of ownership of specific assets.

H.R. 6462 will settle the problems involved in the administration of section 32(h), by the payment of \$500,000 out of the proceeds of vested property to suc-

cessor organizations designated by the President under section 32(h). Acceptance of payment will discharge all claims of such organization under said section.

The enactment of the bill will permit prompt settlement of claims, and requires that the payments be used for the relief and rehabilitation in the United States of needy surviving persecutees.

I urge the adoption of this resolution. Mr. Speaker, I know of no controversy over this rule, and, therefore, reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, the gentleman from Missouri [Mr. BOLLING] has explained this rule, House Resolution 457, ably and well. It makes in order the consideration of the bill, H.R. 6462, a bill which would permit the transfer of funds belonging to persecutees of the Nazi regime who have passed on without heirs and permit such assets to be transferred, up to the amount of \$500,000, to a charitable organization for the benefit of other persecutees.

Mr. Speaker, I know of no opposition to this rule, and having no requests for time, yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TO AMEND THE WAR CLAIMS ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 458 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2485) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. Brown]; and, pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 458 makes in order the consideration of H.R. 2485 to amend the War Claims Act, as amended, regarding compensation for certain World War II losses. The resolution provides for an open rule, waiving points of order, and 2 hours of general debate.

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The purpose of the bill is to provide for the payment of compensation to American nationals who suffered injury or death under specified circumstances, or who suffered property losses as a result of military operations during World War II in certain European countries and in areas attacked by Japan.

Payments will be made to claimants under the bill out of the War Claims Fund, which consists of proceeds resulting from the sale of vested property, and not out of appropriations. The balance presently available for transfer to the War Claims Fund is approximately \$100 million.

Losses must have been suffered originally by American nationals, and the claims based thereon must have continuously remained American-owned up to the time they are filed.

Where a corporation does not qualify for payment, its American national stockholders may receive payment proportional to their ownership interest in the corporation. Awards in excess of \$10,000 on corporate claims will be reduced by the Federal tax benefits received by the corporation in prior years arising out of the loss on account of which the claim is filed.

Claims for disability or death will be paid in full; all other claims will be paid in full up to \$10,000, with pro rata reduction thereafter if the War Claims Fund is not sufficient to pay all awards.

Other nations have long since paid their own citizens for similar losses and I, therefore, urge the adoption of this resolution.

There is some controversy, I understand, over H.R. 2485. I know of no controversy, however, over the adoption of the rule, and I therefore reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, the gentleman from Missouri has explained this bill and also the rule. When this measure came before the Rules Committee we had called to our attention a minority report on the measure as reported by the Committee on Interstate and Foreign Commerce.

However, I know of no opposition to the rule. I have had no requests for time on the rule, and I yield back the remainder of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SETTLEMENT OF CLAIMS OF SUCCESSOR ORGANIZATIONS FOR RETURN OF VESTED HEIRLESS PROPERTY

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6462) to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Arkansas (Mr. HARRIS).

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6462, with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas (Mr. HARRIS) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. BENNETT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Arkansas (Mr. HARRIS).

Mr. HARRIS. Mr. Chairman, let me attempt to give you a brief explanation of the bill H.R. 6462 which was introduced by our esteemed former member of the Interstate and Foreign Commerce Committee, Representative Dollinger, and which was reported unanimously by the committee.

The purpose of the legislation is to provide a \$500,000 lump sum settlement of all claims of successor organizations for return of heirless vested property pursuant to section 32(h) of the Trading With the Enemy Act. Now, I realize that this explanation still requires a lot of explaining and I shall ask you to bear with me while I shall attempt to do my best to explain the explanation.

In the first place let me explain what "heirless vested property" is. Under the provisions of the Trading With the Enemy Act, property located in the United States which was owned by enemy nationals was vested by the United States at the beginning of World War II. After the vesting it was recognized by the Congress in Public Law 671, 79th Congress, that certain enemy nationals whose property was vested were only technically enemies. Therefore, the Congress authorized that property taken from such persons should be returned to them upon a showing that they belonged to political, racial, or religious groups which, under the law of the enemy nation in which they resided, did not enjoy full rights of citizenship.

Some property vested by the Alien Property Custodian was returned to persons qualified under Public Law 671. However, in some cases persons who were entitled to return of property were exterminated by our wartime enemies together with their entire families. The claimants and their heirs having perished, no claimants are left to claim return of property owned by such persons. Therefore this property is still in the hands of the Alien Property Custodian and is referred to as "heirless property."

Thus I think you can see what is meant by the term "heirless property."

Now let me explain the term "successor organizations." After World War II the United States and our allies followed the policy that the assets of persecuted persons who died without heirs should be used for the rehabilitation and resettlement of surviving persecuted persons belonging to the same political, ra-

cial, or religious groups as the persons who died without heirs.

This policy was embodied in the final act of the Paris Conference on Reparations of January 1946 and in other agreements and treaties to which the United States is a party. These agreements and treaties are set out in appendix A of the committee report beginning on page 7.

Pursuant to this national policy, the 83d Congress enacted Public Law 626, which added the present subsection (h) to section 32 of The Trading With the Enemy Act. That subsection provides that vested enemy property which was taken from persecuted persons who died without heirs may be returned to one or more organizations designated by the President. Since the organizations designated by the President are succeeding to the interests of the heirless persecuted persons, they are referred to as successor organizations.

Public Law 626, 83d Congress, provided that these successor organizations must use vested property returned to them for the rehabilitation and settlement of persons in the United States who came to the United States as persecuted persons and who suffered deprivation of liberty in their original homelands.

By Executive Order No. 10787, dated June 13, 1955, the President designated the Jewish Restitution Successor Organization, a charitable member organization incorporated under the laws of the State of New York, as a successor organization which would be entitled to claim the return of vested enemy property of deceased persecuted persons who died without heirs.

If other organizations apply and qualify, they would be designated as successor organizations of persons belonging to other racial, political, or religious groups. Thus far, however, no other organizations have sought to apply and qualify.

The Jewish Restitution Successor Organization has pending with the Alien Property Custodian a total of 1,800 claims but no payments have been made by the Custodian because of the difficulties encountered in bringing adequate proof of the ownership of specific assets.

The purpose of the legislation is to avoid the necessity of protracted proceedings before the Alien Property Custodian which would tie up substantial manpower in the Office of the Alien Property Custodian and which would be costly to the claimant organization as well as the Government. The lump sum settlement of \$500,000 would wipe out the 1,800 pending claims under Public Law 626, 83d Congress.

In a report submitted by the Department of Justice, the Department estimates that in the case of approximately 500 claims out of the total of 1,800 claims filed, the successor organization might be successful in obtaining a return under section 32(h) and that the value of such returns would total \$500,000. Under these circumstances, the committee felt that it would save the Government money and would expedite the windup of the affairs of the Office of Alien Property if a lump sum settlement of \$500,000 was provided for, to close out the 1,800 claims

brought by the successor organization under Public Law 626, 83d Congress.

I believe this explanation will enable the Members of the House to follow the complex terminology of this legislation dealing with "heirless property" and "successor organizations."

I hope that this explanation will satisfy the Members of the House that the lump sum settlement provided for in this legislation is in the public interest and that this legislation is merely intended to carry out more expeditiously the program enacted into law by the 83d Congress.

Let me say that the committee was unanimous in reporting this legislation and I trust that the House will follow suit in approving this legislation.

The Subcommittee on Commerce and Finance has done a very fine job. It conducted hearings on this legislation which was introduced by our former colleague and distinguished friend from New York, Mr. Dollinger, who is now serving with great distinction in the capacity of a district attorney for his area. He introduced and sponsored the bill in the last Congress, and I believe in a preceding Congress;

The subcommittee under the chairmanship of the gentleman from Illinois [Mr. MACK] conducted hearings and went into this problem thoroughly. I think it would be appropriate at this time to recognize the gentleman from Illinois [Mr. MACK], chairman of the subcommittee, for 15 minutes for a further explanation of the bill.

The CHAIRMAN. The gentleman from Illinois is recognized for 20 minutes.

Mr. MACK of Illinois. Mr. Chairman, although the bill now before the House, H.R. 6462, has a long history, it is in fact a simple measure. It proposes a bulk settlement of many thousands of individual claims which are now pending before the Office of Alien Property of the Department of Justice. These claims were authorized to be filed pursuant to section 32(h) of the Trading With the Enemy Act, as amended. That section was added to the Trading With the Enemy Act in 1954, pursuant to bills which were sponsored in this House by Representatives Crosser and Wolverton, ranking members of the Committee on Interstate and Foreign Commerce, and in the other body by Senators Taft, Dirksen, and Hennings. Both this procedural bill, H.R. 6462, and the antecedent legislation, have been bipartisan in nature, have had administration and widespread popular support, and have sought to deal with a tragic problem arising out of the course of the last war.

Briefly stated, the history of this legislation is as follows: The Trading With the Enemy Act authorized the vesting by the Alien Property Custodian of all "enemy" property. Thus, vesting orders took title in the United States to all property found here of so-called enemy nationals, even if those persons had been deprived of their nationality by their governments. It was apparent that, whatever might be done in the United States with respect to other properties, the United States was not prepared to keep title to property belonging

to those persons who had been the first victims of nazism, and who had in many instances fought and died in our cause. Thus, immediately after the war, section 32 was added to the Trading With the Enemy Act. That section, in general, provided that the Custodian should return, on the filing of claims, the property of persons who had been subjected to persecution on grounds of race, religion or political belief.

In the years that followed, it became clear that a number of these eligible claimants—persecutees—would never appear to file their claims. The reason was that they, together with their entire families, had perished in the infamous concentration camps. The surviving persecutee, or the persecutee who left a son or daughter, could file his claim and regain his property. But a substantial amount of property remained vested, which had been owned by persecutees, but as to which there was in fact no claimant—because the claimant and his family had been exterminated.

In these circumstances, and with the distinguished and bipartisan sponsorship I have mentioned, subsection (h) was added to section 32 of the act. The effect of subsection (h) was to make it possible for a "successor organization" to file claims to the property of persecutees who had died without known heirs—or what has come to be known as "heirless property." It was declared to be the policy of the United States, as reflected in this subsection, that such heirless property should be returned to a successor organization. Its proceeds were to be used by that organization—or organizations—for the relief and rehabilitation of needy surviving persecutees who were in the United States. A successor organization was to be designated by the President.

I should point out that many safeguards surrounded this legislation, reflecting the clear decision of the Congress both that the proceeds of heirless property should be used for relief and rehabilitation, and that the proper application of these proceeds should be insured. The purposes were defined, and were limited to needy persons, and to persons in the United States. The organization which applied for designation as a successor organization had to undertake to make periodic reports of its use of the funds, and it had to be screened and named only by Presidential designation. No part of the proceeds could be used by the organization for legal or similar expenses, so that all of these proceeds are to be devoted to the intended purposes.

It is appropriate at this point to mention that the domestic action of the United States, in allocating heirless assets for relief and reconstruction of surviving persecutees, follows a consistent line of American foreign policy. Thus, the Inter-Allied Reparation Agreement of 1946, signed at Paris, in which the United States played a leading role, provided for utilization of heirless assets found in the European neutral countries in a similar way. And various postwar agreements to which the United States was a party—with the European neutrals—also contained language looking

toward use of heirless assets for this same purpose. Moreover, heirless assets found in the Western Zones of Germany have been used for these purposes, first under military government law, and then under statutes of West Germany.

Because of the nature of Nazi persecution, it is of course clear that the great bulk of the persecutees, and of the heirless property, was of Jewish origin. Thus, the organization which applied for Presidential designation was a New York membership corporation known as the Jewish Restitution Successor Organization. This organization had previously been designated in the American Zone of Germany, and had performed there in a manner which earned the commendation of General Clay and others connected with military government. It undertook the obligations required by the statute; and in January 1955 it was designated by President Eisenhower.

The JRSO, as this organization is known, then began the task of filing claims pursuant to the statute. Obviously, this was a task of enormous difficulty, since by definition no one was extant who could make information or documentation available to the successor organization. Nevertheless, with the assistance and cooperation of the Office of Alien Property, such information as could be gleaned from vesting orders and similar documents, and from surveys, was obtained, and some thousands of claims were filed with the Office of Alien Property.

From the outset, it was apparent that to process each of these claims would be an impossible administrative task. The very nature of the problem made that clear. Therefore, a solution which had been adopted elsewhere—as, for example, with the active support of the United States, in the American Zone of Western Germany—was suggested; this solution was to make a reasonable appraisal of the properties claimed and then to arrange a bulk settlement of the claims.

A bulk settlement of these claims appears to be in the interest of all concerned. The principle of a bulk settlement has been supported by the administration, and testimony in favor of such a settlement was adduced in testimony before the Subcommittee on Commerce and Finance of the Committee on Interstate and Foreign Commerce on March 13, 1958, and on July 24, 1959. Statements favoring a bulk settlement are in the record from the Department of State and from various charitable organizations—Catholic Relief Services, the American Jewish Committee, Church World Services, and the American Jewish Congress. The only question raised about the desirability of the bulk settlement was raised by the Department of Justice as to amount, when the suggested amount of the settlement was \$1 million; and by the Bureau of the Budget, which has pointed out that the provable claims, under present standards of law which would be applicable to individual claimants, are in the maximum amount of \$500,000. Thus, it is entirely agreed by all that a bulk settlement is necessary to obviate long and tedious—and expensive—administrative proceedings, which

would burden both the administration and the successor organization.

As to the question of amount, the committee considered the matter carefully and has come to the conclusion that the amount in the present bill, which is \$500,000, is a reasonable amount of such a settlement. In this connection, the committee has given due weight to a communication of the Assistant Attorney General in charge of the Office of Alien Property, under date of April 10, 1959, stating that:

I favor the proposed bulk settlement of heirless property claims in the amount of \$500,000.

It has also considered the fact that, in the nature of things, claims involving "heirless property" ought not to be subject to the same standards of proof as individual claims. When an individual presents a claim to his property, he ordinarily has some proof—bank books, documents, or the like. On the other hand, the successor organization is hampered by the fact that it is proceeding in a situation in which, by definition, the original claimant and all of his relatives—or those who had some knowledge—were swept away, generally in the dead of night, and bundled off to concentration camps from which they have never returned. In these circumstances, to expect clear documentation is to demand the impossible.

Even so, however, it is clear that heirless property exists in amounts substantially larger than the amount stated in this bill. Thus, in the original enabling legislation—section 32(h)—a ceiling amount of \$3 million was set, after hearings. In previous Congresses, bulk settlement legislation in the amount of \$1 million has been proposed. Here, it seems to be the opinion of the Office of Alien Property that \$500,000 would be the amount of claims provable under present standards, applicable to individual claimants. But there exists substantial other claims, some of which in fact are in the process of adjudication before the OAP, which add greatly to this amount. Thus, one claim involving allegedly looted diamonds amounts to several hundreds of thousands of dollars; and no final decision has been handed down on the claim of the successor organization to that fund. In addition, claimed amounts are involved in so-called omnibus accounts—accounts of Swiss banks, held in the United States, where it is not known who were the owners of the funds deposited in the names of the Swiss banks. And if there were access to all of the burned, destroyed and unavailable records, it seems clear that very large amounts indeed would be discovered.

One additional point remains, which is strongly in favor of the bulk settlement technique embodied in this bill. In view of the difficulties inherent in section 32(h) of producing adequate proof to prosecute claims under this section and in view of the cost involved in securing such proof, only the JRSO had sufficient interest to apply for and receive a designation as a successor organization. Under the proposed legislation, however, there will be an opportunity for other

successor organizations to apply and to be designated. These organizations would rehabilitate and settle in the United States persons belonging to racial and religious groups other than the Jewish group.

The bill provides that if there is more than one designated successor organization, the sum of \$500,000 shall be allocated among such organizations in the proportion in which the proceeds of heirless property were distributed pursuant to agreements to which the United States was a party, by the International Committee for Refugees and successor organizations thereto. The proportional formula used in these agreements is a 90-10 formula which corresponds roughly to the number of persons in the different groups who would benefit from this legislation.

This formula has the acceptance of the actual and potential successor organizations which have been and may be designated under this legislation.

As I have said, this legislation has the enthusiastic support of all interested organizations and its adoption is definitely in the public interest in order to save the Government agency involved—the Office of Alien Property—time and money and thus to expedite the windup of the affairs of this office.

As I said when I started my presentation today, I hesitated to bore you with all of the details of this matter. However, I felt that I should discuss the background of the legislation so that the House would be fully familiar with the problems with which they are confronted today.

Actually, I feel that this legislation would carry out the intent of Congress that was provided previously in legislation passed in the 83d Congress. This bulk settlement seems to be agreeable to all parties. The only argument that has arisen at any time is not whether we should make the bulk settlement but as to how much. In fairness, I should state that the Bureau of the Budget has offered to compromise at \$250,000. The subcommittee feels that \$500,000 is the proper amount, and that the Office of Alien Property has acquired twice that amount from heirless persecutees.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MACK of Illinois. I yield to the gentleman from West Virginia.

Mr. BAILEY. May I inquire of the gentleman if there was a protest filed by the American Legion against this legislation?

Mr. MACK of Illinois. Not to my knowledge.

Mr. BAILEY. I see in the hearings on page 538 a letter addressed to the gentleman as chairman of the subcommittee and signed by Miles D. Kennedy, director of the American Legion of Washington, D.C., on June 30, 1959. Let me read it.

Mr. MACK of Illinois. I am familiar with the letter. I do not think it refers to this legislation. As I recall, it referred to general return legislation.

Mr. BAILEY. That is true. Nevertheless, they are opposed to the legislation contained in this bill.

Mr. MACK of Illinois. I do not have the letter before me.

Mr. BAILEY. I have it right here in front of me, and I should like the privilege of reading it into the Record.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. MACK of Illinois. I yield to the gentleman from Arkansas.

Mr. HARRIS. I, of course, would be glad to have the gentleman read the letter into the Record. I think probably we should explain, however, that this is only one of many bills that was included during the course of the hearings when the matter was scheduled. I think the gentleman will find that the letter to which he refers, in which the American Legion expressed interest, did not relate to this bill but to a bill before the committee which deals with the return of vested property to the German Government and German nationals.

Mr. MACK of Illinois. That was my understanding, as I recall the contents of the letter.

Mr. BAILEY. This bill does not propose the return of any property?

Mr. HARRIS. No, it does not provide any return to the German Government or to German nationals, or to any enemy government or enemy nationals.

Mr. BAILEY. I thank the gentleman for his partial explanation.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I take this time more in bewilderment than in trying to enlighten my colleagues. As a member of the subcommittee earlier when we held these hearings I did not get to ask all these questions. I want to share some of them with you. It is possible that some may have been resolved earlier here and to your satisfaction.

I would not feel right without explaining to you my own uncertainty, shared with you for what it is worth.

My first observation, before I get to my questions, is simply why this heirless property? There is nobody to get this property. It is to be turned over to one organization or more, if others come forward, and that makes it more equitable, of course, to do what? There are no rules, no guidelines such as we in Congress normally lay down. Why does not the United States keep this money? This is a welfare program. I am not against it necessarily, but at least I have to find out what we are going to do. Let us call it what it is. As a member of that subcommittee, I want it understood I did my best at that time to help. While I have a high regard and friendship for the gentleman from New York, Mr. Dollinger, I think there was possibly a prejudice to a degree for this legislation. At least I felt we hurried through it. I must contest the statement the gentleman from Arkansas made earlier when he complimented the gentleman from Illinois for the thoroughness of our work unless that work was done since the tail end of the last Congress because at that time we had not had sufficient executive study and executive sessions to resolve some of the questions. So I would like to ask several questions now.

vested assets be returned to them or, if they were no longer living, to their survivors. However, in some cases whole families were wiped out as the result of the Nazi persecutions so that no one was left to claim the vested property. In 1954 Congress provided that the unclaimed property of persecutees in such cases, in a total amount of not more than \$3 million, be transferred to American charitable organizations specifically designated by the President as successors in interest. The designated organizations are required to use such "heirless" property for the relief of persons now in the United States who are survivors of persecuted groups.

One organization, the Jewish Restitution Successor Organization—JRSO—of New York City, has been designated by the President under this legislation. It has filed several thousand claims but has found that proof of prevesting ownership of specific vested properties is an almost impossible burden under the standards of existing law and has not as yet received any payments.

H.R. 6462 would make a bulk settlement of the heirless property claims by providing an outright payment of \$500,000 of vested funds to be divided among the JRSO and any other organization which may be designated by the President upon application within 3 months. Acceptance of payment under the bill would discharge all claims filed by the JRSO.

The investigations of the claims filed by the JRSO to date indicate that \$500,000 is a reasonable figure for a bulk settlement. The single payment of this sum under H.R. 6462 will provide funds promptly for the relief of the Nazi victims whom Congress intended to aid in the 1954 legislation. At the same time the bill will remove the burden of administration imposed on the Government by that legislation. In short, the bill is fair and its enactment will be advantageous to the Government as well as to its beneficiaries.

I ask unanimous consent, Mr. Chairman, to revise and extend my remarks.

Mr. BENNETT of Michigan. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

Mr. HARRIS. Mr. Chairman, I have no further requests for time, and I suggest the Clerk read.

The Clerk read, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 32(h) of the Trading With the Enemy Act is amended by striking out all that follows the first sentence in the first paragraph down through the third paragraph, and inserting in lieu thereof the following: "In the case of any organization not so designated before the date of enactment of this amendment, such organization may be so designated only if it applies for such designation within three months after such date of enactment.

"The President, or such officer as he may designate, shall, before the expiration of the one-year period which begins on the date of enactment of this amendment, pay out of the War Claims Fund to organizations designated before or after the date of enactment

of this amendment pursuant to this subsection the sum of \$500,000. If there is more than one such designated organization, such sum shall be allocated among such organizations in the proportions in which the proceeds of heirless property were distributed, pursuant to agreements to which the United States was a party, by the Intergovernmental Committee for Refugees and successor organizations thereto. Acceptance of payment pursuant to this subsection by any such organization shall constitute a full and complete discharge of all claims filed by such organization pursuant to this section, as it existed before the date of enactment of this amendment.

"No payment may be made to any organization designated under this section unless it has given firm and responsible assurances approved by the President that (1) the payment will be used on the basis of need in the rehabilitation and settlement of persons in the United States who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and (D) of subsection (a) (2) of this section; (2) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the payment made to it) and permit such examination of its books as the President, or such officer or agency as he may designate, may from time to time require; and (3) it will not use any part of such payment for legal fees, salaries, or other administrative expenses connected with the filing of claims for such payment or for the recovery of any property or interest under this section."

Sec. 2. The first sentence of section 33 of such Act is amended by striking out all that follows "whichever is later" and inserting a period.

Sec. 3. Section 39 of such Act is amended by adding at the end of subsection (b) the following new sentence: "Immediately upon the enactment of this sentence, the Attorney General shall cover into the Treasury of the United States, for deposit into the War Claims Fund, from property vested in or transferred to him under this Act, the sum of \$500,000 to make payments authorized under section 32(h) of this Act."

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the only purpose of my taking the floor at this time is to get information. May I ask the chairman to whom the money that we are dealing with in this bill belonged, what nationality?

Mr. HARRIS. I will say to the gentleman that the fund originally was property that was confiscated by our Government from enemy nations, Germany and Japan, primarily.

Mr. HOFFMAN of Michigan. Then the Government took charge of that fund because there was no one who needed it was entitled to it legally.

Mr. HARRIS. No; not at all. When we went to war with these nations, their nationals had certain property within the United States. The Government took title to that property as being property belonging to citizens of an enemy country.

Mr. HOFFMAN of Michigan. We took it over.

Mr. HARRIS. We took it over. It so happened that they did the same thing to us.

Mr. HOFFMAN of Michigan. In other countries they took over property that belonged to our citizens.

Mr. HARRIS. That is true.

Mr. HOFFMAN of Michigan. And there is no one now who is legally entitled to the property our Government took over; is that right?

Mr. HARRIS. Yes. The Congress has taken action on numerous occasions, stating how this property should be disposed of.

Mr. HOFFMAN of Michigan. Perhaps I did not make myself clear. This property, generally speaking, was taken over from the Japanese and German nationals during the war.

Mr. HARRIS. That is true.

Mr. HOFFMAN of Michigan. That was common practice in warring countries, but there were likewise citizens of our country in Germany and Japan, for example, whose property was confiscated by those governments; is that right?

Mr. HARRIS. That is true.

Mr. HOFFMAN of Michigan. Now we are giving this property represented by this fund to these Germans and Japs to distribute as they wish.

Mr. HARRIS. No, we do not. We would give it to one or more successor organizations to help settle persecutees who sought refuge in this country.

Mr. HOFFMAN of Michigan. Should we not give it to our citizens who lost property in Germany and Japan to pay them for their losses?

Mr. HARRIS. No, not in this bill.

Mr. HOFFMAN of Michigan. Why not?

Mr. HARRIS. Because that comes under a different program which we are dealing with in the next bill.

Mr. HOFFMAN of Michigan. But if the United States has this property which was taken from citizens of our enemies, and if we have citizens who lost their property in other countries by the action of the governments of those countries why should we not use this fund to pay them for their losses?

Mr. HARRIS. That is precisely what we are doing, not in this bill but in our other bill which will come up next.

Mr. HOFFMAN of Michigan. But why could we not use this? Why do you give this money not to anyone who has a legal claim but to an organization to distribute?

Mr. HARRIS. Primarily because the 83d Congress passed a bill which added subsection (h) to the present law providing for the distribution of property vested as enemy property that was taken from the persecuted persons who died without heirs.

Mr. HOFFMAN of Michigan. Why should not our people who lose their property in Germany, for instance, be paid out of this fund?

Mr. HARRIS. We provide in the bill that is to be called up right after this one how this should be dealt with and how they should be reimbursed for their losses.

Mr. HOFFMAN of Michigan. Where is the money coming from?

Mr. HARRIS. It comes from the same source.

Mr. HOFFMAN of Michigan. You mean this fund?

Mr. HARRIS. Yes.

Mr. HOFFMAN of Michigan. This is only \$500,000.

Mr. HARRIS. This is only \$500,000 out of a total of about \$165 million or more, which is in the hands of the Allen Property Custodian at the present time. We had several hundreds of millions of dollars in this fund to start with following World War II. We paid out beginning in 1948 over \$100 million from the war claims fund to our prisoners of war and civilian internees. We have paid out several million dollars to groups in the Philippines out of this fund because of their losses. Therefore this fund has been partly disposed of by the direction of the Congress to pay compensation for damages and injuries resulting from the war.

Mr. HOFFMAN of Michigan. This creates, then, a priority?

Mr. HARRIS. Just as there has been for others.

Mr. HOFFMAN of Michigan. This creates a priority over our own citizens? You are doing this first. You will do the other at another time?

Mr. HARRIS. We are going to get to that other bill just as soon as we get through with this one.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. HOFFMAN) has expired.

GROSS. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan (Mr. HOFFMAN) may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think the point might better be understood if we realize that this bill is in connection with persons who were not enemies but who were persecuted by the Nazi regime because of racial and religious background. This bill is in that direction, not paying back those who were enemies.

Mr. HOFFMAN of Michigan. I understand that.

Mr. McCORMACK. We recognized that back in 1954 and put through legislation in the sum of not more than \$3 million, but they are unable to ascertain who some of the individuals were. So this bill is to bring relief in the direction of those who were persecuted, such as those of Jewish faith, some Catholics, and some others, because of racial or religious reasons.

Mr. HOFFMAN of Michigan. In Germany?

Mr. McCORMACK. In Germany.

Mr. HOFFMAN of Michigan. I have understood that the people who were persecuted, or many of them, had been located.

McCORMACK. That is one of the difficulties involved here. Many of them they are unable to locate. For

example, they found a million dollars, as I understand it, our forces did, in American currency that the Gestapo had, and while they cannot trace it they are satisfied that money belonged to unfortunate persons who were liquidated by the Hitler regime.

Mr. HOFFMAN of Michigan. Did they leave heirs?

Mr. McCORMACK. There is the difficulty. This organization here is a conduit through which the \$500 million will be utilized.

Mr. HOFFMAN of Michigan. But that does not go to the heirs of the fellows who were persecuted.

Mr. McCORMACK. If they can locate them.

Mr. HOFFMAN of Michigan. If you cannot locate them, who do you give it to? Who do you repay?

Mr. HARRIS. I would say first that this bill is to provide for the solution of an administration.

Mr. HOFFMAN of Michigan. Saying that the administration approves it does not make it perfect to me. It is the best we can do, I suppose.

Mr. HARRIS. I am saying it involves the solution of an administration problem relating to people who were in the same class as those who died without heirs, and who were persecutees. It is property left by those who were persecuted and exterminated and who have no heirs who might claim this property.

Mr. HOFFMAN of Michigan. That is, to someone who has been persecuted?

Mr. HARRIS. Yes.

Mr. HOFFMAN of Michigan. You are getting around to benefit by association instead of guilt by association.

Mr. HARRIS. Maybe so.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. I would like to ask the chairman this question: Is there a precedent for this kind of legislation, where there may be no heirs?

Mr. HOFFMAN of Michigan. Let me interrupt. It goes, according to his statement, to someone else who has been persecuted. If you have been persecuted, you can get in on it.

Mr. GROSS. I sometimes think I am being persecuted, but I guess not. I would like to get an answer.

Mr. HOFFMAN of Michigan. Why does the gentleman not move to strike out the last word. The gentleman is in my party.

Mr. GROSS. Mr. Chairman, I move to strike the last word. Does this legislation create a precedent?

Mr. MACK of Illinois. No; this does not establish any precedent at all.

Mr. GROSS. Will the gentleman cite other legislation for the same purpose?

Mr. MACK of Illinois. Yes; I would be glad to cite one.

Immediately after World War II there were quite a few persecutees in West Germany.

At that time the Allied Forces had a similar program for the purpose of providing benefits for those persecutees,

and they had a similar program for the heirless property, and they provided a bulk settlement in that instance just as we are providing at this time. That was some 12 years ago, I believe.

Mr. GROSS. So this deals with living heirs—

Mr. MACK of Illinois. This thing we are talking about at this particular time—

Mr. GROSS. The example you are using.

Mr. MACK of Illinois. That is the reason I went through all of the detail of the background and the history of this legislation. But, the thing we are dealing with at this time is nothing more than a group settlement procedure for the heirless property, and it is for property which was left by the persecutees who were exterminated by the Nazis.

Mr. GROSS. I still am not convinced that there is any real precedent for specifically doing what we are asked to do here today.

Mr. MACK of Illinois. It follows exactly the same pattern that was established immediately after World War II in the occupied areas.

Mr. GROSS. Does the gentleman think that this could in any way start a chain of events by which support might be given to those refugees, living refugees, over in the Middle East? I understand there are about a million of them living in tents, filth, and squalor over there.

Mr. MACK of Illinois. I think the gentleman is overconcerned. This only applies to persecutees, and this will wind up the program enacted in legislation which was adopted by the 83d Congress. The President has designated a successor organization, and this bill today is a group settlement to wind up this entire program.

Mr. GROSS. Then, there is no money in this bill for those refugees and persecutees, the millions of them that are presently eking out a bare existence in the Middle East; is that right?

Mr. MACK of Illinois. The people are the persecutees residing in the United States.

Mr. GROSS. No one is going to take any better care of them than has been taken in the past, which is a bare existence, is that not right—those homeless, half-starved people who are living in camps in the Middle East? There is nothing being done for them by virtue of this bill?

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes. Gladly.

Mr. HOFFMAN of Michigan. If this is Government money, as apparently it is, and we have trouble getting rid of it, why not apply it on the national debt?

Mr. GROSS. That is an excellent suggestion.

Mr. HOFFMAN of Michigan. I thank you.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Arkansas.

Mr. HARRIS. I would like to try to clear this up and explain to the House just why we bring this legislation here. Following World War II the United States and its allies adopted a policy providing that the assets of persecuted persons who died without heirs should be used for the rehabilitation and the settlement of surviving persecuted persons belonging to the same political, racial, or religious group as the person who died without heirs. Now that is the policy that was followed. This was embodied in a final act at the Paris Conference in 1946, together with other agreements and treaties which were included, which this country became a party to.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes additional.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. HARRIS. Pursuant to this policy that was embodied in the Paris Conference on Reparations in January 1946, the 83d Congress added subsection (h) to section 32 of the Trading With the Enemy Act. At that time this Congress implemented the treaty agreement which we entered into at the Paris Conference in 1946. In trying to administer the law that this Congress adopted when it implemented the Conference it ran into some administrative difficulties. Now this bill would provide the machinery to clear up those difficulties in order to carry out the policies which were adopted at that time. That is as clear an explanation as I can give the gentleman.

Mr. GROSS. I do not understand why Japanese property is involved in this matter since 90 percent or more of those to be benefited are of one nationality that I never understood had been persecuted by the Japanese. Why is Japanese property being thrown into this pot?

Mr. HARRIS. I would say to my distinguished friend that there is Japanese property involved in this bill.

Mr. GROSS. An earlier speaker said there was German and Japanese property.

Mr. HARRIS. Yes, we vested the property in the United States that was Japanese and German property. However, no Japanese property is involved in the bill. The property involved is primarily property which formerly belonged to Jewish persons who were exterminated by the Nazis.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. Gross] has again expired.

Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the

Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6462) to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution, and for other purposes pursuant to House Resolution 457, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

WAR CLAIMS ACT OF 1948

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2485) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2485, with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HARRIS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I feel I should advise the House at this time that this bill, H.R. 2485, deals with legislation providing for the payment of our own American nationals for damages they received from the enemy as a result of the war. I think I should also advise the House that this is not a unanimous report. The Committee on Interstate and Foreign Commerce brings it to the attention of the House after hearings have been held by the subcommittee whose chairman is the distinguished gentleman from Illinois [Mr. MACK].

Some 14 years have now passed since the end of World War II. Still American nationals who suffered injury or death under the circumstances specified in this legislation or who suffered property damage or loss as the result of military operations, have been waiting for compensation for the losses they have suffered.

The bill, H.R. 2485, which the Committee on Interstate and Foreign Commerce has brought before the House today, is the result of many years of efforts of writing comprehensive legislation in the field of World War II claims of American nationals.

More than 14 years have passed since the end of World War II and still American nationals who suffered injury or death under circumstances specified in

the legislation or who suffered property losses as a result of military operations during World War II are awaiting compensation for the losses they have suffered.

If Congress does not act soon many of the persons who suffered these losses will have died and thus only the heirs will secure benefits from this legislation.

Other nations have long since paid their own citizens for similar losses and it is high time that our own citizens be similarly compensated.

What is responsible for the fact that comprehensive war claims legislation has not been enacted almost 15 years after the close of World War II?

The explanation lies in the circumstances that war claims legislation has been tied in closely with enemy property legislation. The writing of adequate and comprehensive war claims legislation is difficult enough a task but the tie-in of this legislation with the highly controversial problem of return of enemy property has proven an almost insuperable stumbling block to prompt and effective legislative action on the subject of war claims.

Let me attempt to give you a brief and very sketchy outline of the history of this legislation up to the present time.

At the beginning of World War II assets located in the United States belonging to the German Government and German nationals and to the governments of other enemy countries and their nationals were vested by the Alien Property Custodian by virtue of the authority granted to the President under the Trading With the Enemy Act as amended by the First War Powers Act of 1941.

At that time the United States seized an estimated \$54 million of Japanese-owned assets and \$541 million of German-owned assets.

The Trading With the Enemy Act provides that after the end of the war such property shall be disposed of "as Congress shall direct."

Already during World War II Congress gave consideration to the problem of the ultimate use and disposition of these assets.

In so doing, the Members of the Congress concerned with the problem of ultimate disposal of enemy property were mindful of the history of the World War I alien property program.

I do not want to go into detail of that history, which is outlined briefly on pages 3 and 4 of our committee report. I want to state only that during World War I, as during World War II, the United States placed under the control of the Alien Property Custodian assets of the German Government and of German nationals. These assets were to be retained as security for Germany's obligation to pay war damage claims of the United States and of its nationals.

In 1923 Congress passed the Winslow Act, which authorized the return of vested property up to \$10,000 in value to all former owners of such property. It was assumed at the time of the passage of this law that the remaining enemy assets would be sufficient to pay the war

Serial Set 11488

AMENDING SECTION 32 OF THE TRADING WITH THE ENEMY ACT,
AS AMENDED, WITH REFERENCE TO THE DESIGNATION OF
ORGANIZATIONS AS SUCCESSORS IN INTEREST TO DECEASED
PERSONS

JULY 30 (legislative day, JULY 24), 1951.—Ordered to be printed

Mr. O'CONNOR, from the Committee on the Judiciary, submitted the following

REPORT

(To accompany S. 1748)

The Committee on the Judiciary, to which was referred the bill (S. 1748) to amend section 32 of the Trading With the Enemy Act, as amended, with reference to the designation of organizations as successors in interest to deceased persons, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of the proposed legislation is to authorize the President to turn over certain property to organizations designated by the President, which will use such property for the rehabilitation and resettlement of persecuted persons. The property to be turned over is property which, prior to vesting, was owned by persecuted persons who died without heirs. Such persons or their heirs, if alive, would have been able to claim return of this property under the provisions of section 32 (a) (2) of the Trading With the Enemy Act, as amended in 1946.

There is provided an outside limit of \$3,000,000 with respect to the total value of property which may be turned over to the aforementioned organizations under the provisions of the proposed legislation.

STATEMENT

A similar bill, S. 603, was introduced in the Eighty-first Congress. After public hearings, the bill was amended in the committee, reported to the Senate favorably, and passed the Senate on August 9, 1949.

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*More good background;
see esp. the relevant
sections of MG 59 on
p. 9*

On June 26, 1950, after the legislation had been referred to the House Interstate and Foreign Commerce Committee, the bill was reported to the House of Representatives with further amendments, and no action was taken thereon. The amendments by the House of Representatives were, in the main, perfecting amendments and a limit of \$3,000,000 was put on the returns provided for in the bill.

The present bill, S. 1748, as introduced in the Senate, is identical to S. 603 as reported by the House Interstate and Foreign Commerce Committee to the House of Representatives in the Eighty-first Congress.

The bill has the approval of the Department of Justice and the Department of State.

On August 8, 1946, the Congress of the United States, by enactment of an amendment to section 32 (a) (2) of the Trading With the Enemy Act, sought to provide for the release of property vested in the Alien Property Custodian, where it was apparent that the former owner of the assets was an individual who "was deprived of life or substantially deprived of liberty pursuant to any law, decree or regulation * * * discriminating against political, racial, or religious groups * * *" in an enemy country.

By this amendment a necessary and clear-cut distinction was affected between the property of those individuals who were in fact our enemies in the last war, and those who by their extreme persecution at the hands of their governments were the "enemies of our enemies" and our own allies. Although making clear the intention that the United States Government should not profit in any way from the assets of the latter class of individuals, and although setting forth a definite procedure for the release of property by the Alien Property Custodian where persecuted owners or their heirs are still alive, the amendment did not and probably could not at that time provide specifically for the extreme situation in which the persecuted individual and his entire family had been wiped out by the enemy regime, thus leaving the property heirless. It is therefore now proposed, after the enactment of the above amendment and at a time when it has become clear that certain of the owners or heirs of this property will never appear, that a new amendment to section 32 (a) (2) be enacted whereby successor organizations representing the persecuted group to which the deceased owner belonged will be designated as the "successor in interest" to such assets in the United States and whereby these successor organizations will be enabled to expend the assets for the rehabilitation and resettlement of surviving members of the persecuted groups.

The amount of money affected will not exceed \$3,000,000. The amendment now proposed will support and find support in the policy consistently followed by the United States Government in various international accords on the subject of heirless persecutee assets in Europe. It will also provide needed support to representatives of the United States Government in negotiations with the Swiss Government regarding heirless assets in that country.

A bill embodying this proposal (S. 2764) passed the Senate in the Eightieth Congress; a similar bill (H. R. 6817) was not reported out of committee by the House Interstate and Foreign Commerce Committee.

The legislation here proposed sets up a simple and efficient procedure under which the heirless persecutee assets shall be turned over directly

to representative successor organizations, subject to adequate safeguards. It provides that the President shall designate one or more organizations as successors in interest to individuals shown to have been members of groups persecuted by the enemy regimes and whose assets in the hands of the Alien Property Custodian may be presumed ownerless and heirless by virtue of the nonappearance of any claimants during the period allowed them under the law for the filing of their claims. Where a notice of claim is filed by the successor organization before the expiration of the latter period, the bill requires an affirmative showing to support a finding that the owner is deceased and is not survived by any eligible claimants.

The bill also sets up a procedure whereby, before assets are turned over to the successor organizations, the President, or an officer or agency designated by him, shall determine that the successor organization to which it will be returned will use the property in behalf of surviving persecutees of the same groups as the former owner, that the successor organization has given adequate guaranties of repayment to owners or claimants who may appear in the future and that it will file required reports and permit examination of its books. Finally, the proposal includes suggested technical, conforming changes in section 33 of the Trading With the Enemy Act which will be necessitated in the event of successful passage of the principal proposal for section 32.

A treatise on this subject is contained in Senate Report 784 on S. 603 of the Eighty-first Congress, which is herewith set forth in part, and the matter is further discussed in House Report 2338 on S. 603 of the Eighty-first Congress, which is herewith incorporated by reference.

Excerpts and appendixes contained in Senate Report 784, Eighty-first Congress, are as follows:

EXPLANATION OF PROVISIONS

A. General basis of proposal

The origins of both the August 8, 1946, amendment to section 32 of the Trading With the Enemy Act and the present proposal are found in the persecution by the Nazi and other enemy regimes of minority groups, principally the Jews, beginning in the early 1930's. Although the actual taking of life on a large scale did not commence until several years later, the minority groups began from the onset of the persecution program to search for avenues of escape. Simultaneously, of course, they sought also to transfer part of their property to foreign countries from which they might later be able to reclaim it. Tragically, in the case of hundreds of thousands of these individuals, it was never possible to leave Europe and the sometimes successful transfer of their wealth abroad was often followed by the murder of the owners either in Germany or in Polish extermination camps. When the waves of war had subsided, the property of these groups was found on deposit in all parts of the world, and the problem immediately presented itself of returning assets to those owners or their heirs who had survived, or otherwise disposing of the assets where it was discovered that the owners had perished and were heirless.

In the United States, the first step toward meeting this problem was taken by the Congress in the afore-mentioned amendment of August 8, 1946, to section 32 (a) (2) of the Trading With the Enemy Act (see appendix A of this report setting forth the pertinent provisions of this amendment). In this legislative enactment, the Congress clearly accepted the principle that the property rights of the persecuted groups must be reestablished, that the confiscation or "vesting" which was justified and necessitated in the case of enemy property should not be extended beyond the cessation of hostilities in the case of the persecuted groups, and that Government should not seek in any way to profit from these assets. At the same time, the amendment could only be considered a necessary first step designed to

afford an opportunity for making claims in the case of persecuted owners or their heirs who were still alive; unless and until this first step had been taken, there could obviously be no sound legal basis either for postulating the existence of a heirless property question of for laying down the necessary presumptions of death and heirlessness which would be required in the subsequent machinery for the handling of this question. In the 2 years that have elapsed since the enactment of the above amendment, it has become abundantly and tragically clear that some of the persecuted-category property in the hands of the Alien Property Custodian will in fact never be claimed. The suggestion for the enactment of a necessary, further amendment to section 32 is therefore now completely timely. The proposed amendment, in providing that the assets be transferred to representative successor organizations who will make use of them on behalf of the pitifully impoverished survivors from the same persecuted groups as the owners, sets forth a logical and humanitarian method for expending these funds and follows a pattern which has already been accepted in other instances by the various allied governments, including our own.

There can be no questioning the underlying logic and justification of such an amendment. Clearly, in extending virtual "allied" status to the persecuted-category property under the amendment of August 8, 1946, the Congress did not contemplate that a lesser treatment would be applied in the most extreme cases of persecution, viz, the cases where the persecuted owner and his entire family have been wiped out, leaving the property heirless and unclaimed. A failure to enact the legislation here proposed would have the obviously unintended effect of mingling these assets of the completely destroyed families with those which are truly enemy in character, and exposing them to the same ultimate disposition which will be effected by the United States Government for that category of property.

The general approach incorporated in this proposed legislation represents also the only humanitarian one and the only realistic one possible in view of the extraordinary experiences of these persecuted groups over the last 15 years and the extraordinary present-day needs of the survivors. These victims of persecution, it should be remembered, were treated as a group or "community" in being subjected to fines, labor demands, furnishing of hostages, and outright confiscation and murder at the hands of our enemies. Indeed, their property was taken by the United States because they were part of a large political group (i. e., enemy nationals). To refuse to treat them as a group or community when there is a possibility of their receiving aid and to emphasize their individuality only when it becomes a barrier to receiving a benefit is an injustice which the Government of the United States should be avid to avoid.

Finally, it should be remembered also that the Jews of Europe, who constituted the overwhelming majority of the foreign depositors herein considered, possessed up to \$9,000,000,000 of property before the commencement of their persecution at the hands of the enemy regimes. It has been recently estimated that their postwar assets, including property recovered under the various restitution laws, does not exceed \$3,000,000,000. As against this loss of \$6,000,000,000 of confiscated and looted property, not to mention the toll of 6,000,000 lives destroyed in concentration camps, the few hundred thousands of dollars which will be affected by this proposed amendment represent a welcome but tiny recompense indeed to the hungry and broken survivors in Europe.

B. National and international enactments dealing with the problem of heirless property of persecuted groups

Since the close of the war, there have been numerous instances in which the allied governments, alone or in concert, have accepted and followed the principle that the heirless property of persecuted groups should be used for the benefit of the surviving members of these groups. For example, in the inter-Allied agreement embodied in the final act of the Paris Conference on Reparations, December 1945, to which the United States was a signatory, it was provided not only that a share of German assets in neutral countries should be turned over for the resettlement and rehabilitation of the persecuted groups in Europe, but it was also stated specifically that heirless and unclaimed assets of the persecuted groups which might be found in neutral countries should be turned over for this same purpose. (See appendix B of this report, setting forth the pertinent provisions from the final act of the Paris Conference on Reparations.)

Subsequently, in the Five-Power Agreement of June 1946, which was negotiated for the purpose of implementing the Final Act of the Paris Reparations Conference and which was participated in and accepted by the United States Government,

the specific program for the turning over of these assets to the minority persecuted survivors was set forth in detail. (See Appendix C of this report, setting forth the pertinent provisions of the Five Power Agreement, June 1946).

Finally, in the treaties with the satellite countries, provision was again made for the use of the heirless persecutee-category assets in behalf of surviving persecutees. (See Appendix D of this report, which sets forth the appropriate provision of the peace treaties with Rumania and Hungary.)

In ratifying the peace treaties with the satellite countries, the United States Congress has thus maintained with logical consistency its acceptance of the general principle, as demonstrated in the August 8, 1946, amendment to section 32 of the Trading With the Enemy Act, that separate, equitable considerations must be recognized in the case of persecutee-category property; and in ratifying these peace treaties, the Congress has also already extended this principle to the point of recognizing that heirless assets should be used in behalf of the survivors of the persecuted groups. Unilaterally, this policy of our Government has been further demonstrated in the recently enacted Military Government Law No. 59, instituted by our Military Government in the United States Zone of Germany, and by the proposals on the heirless property question submitted from the United States delegation in the negotiations for an Austrian peace treaty. (See Appendix E of this report for the pertinent provisions of Military Government Law No. 59. See also Appendix F which sets forth excerpts from the draft proposal of the United States, and also from the proposal of the French, United Kingdom, and U. S. S. R. delegations in the Austrian peace treaty negotiations.)

C. Relationship between proposed amendment and pending negotiations regarding heirless assets in Switzerland

It is generally recognized that the largest depositories for the assets of deceased minority victims are Switzerland and the United States. As a signatory to the afore-mentioned Paris reparations accords, the United States has made representations toward effective implementation of these agreements with respect to the Swiss deposits. (The afore-mentioned Paris agreements, it will be noted, contain reference to the deposits in "neutral countries.") In response to such representations, however, the Swiss and other governmental representatives have reportedly pointed to the inactivity of the United States with respect to those heirless assets within its borders, as a basis for their own continued inactivity. Thus, the proposed amendment will lend needed support to the State Department in that office's efforts to secure effective enforcement of international agreements.

D. Justification for the language of the proposed amendment

The starting point of the proposed amendment, it should be pointed out, is the language in the present section 32 (a) (2) of the act which permits persecutee claimants of vested property to petition the Alien Property Custodian for the return of their property and which also provides that the "legal representative or successor in interest" of such owners may obtain return of the property. (See afore-mentioned appendix A.) By providing that successor organizations shall be deemed "successor in interest by operation of law" for purposes of the above clauses, the proposed amendment thus operates within the already-existing framework of the Trading With the Enemy Act.

With respect to the problem of proof and evidence, it is essential, of course, that the amendment take into consideration and reflect the extraordinary and unprecedented circumstances which attended the mass exterminations in concentration camps and the mass burials of the victimized minorities of the enemy regimes. According to all available information received from overseas sources familiar with the problem, there are virtually no records to be had regarding the proof of death, the dates of death or the places of burial of the individual deceased, and it has become clear that no new records will be revealed in the future. To approach this problem, therefore, with the formal requirements of proof would do a serious injustice to the victims and would represent a virtual "closing of the eyes" to the realities of their fate. In the light of these circumstances, the proposed amendment embodies the approach used in the satellite peace treaties and in various legislative enactments in European countries, where it is presumed that, if no owner or heirs appear to claim the property within a specified period of time, the property is ownerless and heirless and the property is then turned over directly to a successor organization. (See appendixes D, E, F, and G, for appropriate examples of legislation in Europe.) Where, however, a claim is made by the successor organization prior to such a deadline date, it will be noted that the amendment requires an affirmative showing to support a finding that the owner is dead and that he is not survived by any eligible heirs or successors.

It will be noted also that the proposed amendment contains the following language designed to safeguard the interest of the former legal owners under all possible circumstances and to save the United States Government harmless from any conceivable liability:

"* * * No return may be made * * * unless it (the successor organization) gives assurances satisfactory to the President that * * * (ii) it will transfer, at any time within 2 years from the time that return is made, such property or interests or the equivalent value thereof to any person designated as entitled thereto pursuant to this Act by the President or such officers or agency. * * *"

Finally, the proposed amendment contains the requirement, under (i), that the assets released to the successor organization will be used for the benefit of survivors within the same persecuted group as the former owner.

The proposal regarding an accompanying amendment to section 33 of the Trading With the Enemy Act simply incorporates technical conforming changes in that section which will be required if the principal amendment to section 32 is passed.

AMOUNTS INVOLVED

For reasons hitherto discussed, it would be extremely difficult to estimate accurately what percentage of the enemy assets vested in the Alien Property Custodian today would fall under the coverage of the proposed amendment. In the absence of any official estimates and on the basis of only general knowledge and information which is available regarding the property that has been vested by the Alien Property Custodian (for example, the information that the overwhelming share of that property consists of the assets of the large German and Japanese corporations, such as I. G. Farben Co.), it has been suggested by a number of competent observers that the amount involved will range between \$500,000 and \$2,000,000. Although it must be emphasized that this estimate is entirely tentative and that until an actual experience has been had with administration of the proposed amendment, no truly accurate estimates are possible, it is nevertheless completely clear that the total amount of money which will be affected by this legislation is relatively inconsequential.

TIME FACTOR

The enactment of the amendment to section 32 herein proposed is a matter of urgency. There will be a tremendous amount of work involved in gathering the minimum information and evidence required under the proposed amendment, and there is relatively little time for preparation of claims.

REPORTS FROM DEPARTMENTS

Favorable reports from the Department of State and the Department of Justice on this proposal, as embodied in the proposal which passed the Senate last year (S. 2764), are set forth, in full, in appendix H of this report.

APPENDIXES

APPENDIX A

(Pertinent excerpts from Section 32 of the Trading with the Enemy Act.)

Section 32 (a) (2) of the Trading with the Enemy Act of October 6, 1917, provides that property may be returned where:

"(2) * * * the owner, and legal representative or successor in interest, if any, are not

"C. An individual voluntarily resident at any time since December 7, 1941, within the territory of such nations, other than a citizen of the United States or a diplomatic or consular officer of Italy or of any nation with which the United States has not at any time since December 7, 1941, been at war: *Provided*, That an individual who, while in the territory of a nation with which the United States has at any time since December 7, 1941, been at war, was deprived of life or substantially deprived of liberty pursuant to any law decree or regulation of such nation discriminating against political, racial, or religious groups, shall not be deemed to have voluntarily resided in such territory; or

"D. An individual who was at any time after December 7, 1941, a citizen or subject of Germany, Japan, Bulgaria, Hungary, or Rumania, and who on or after December 7, 1941, and prior to the date of the enactment of this section, was present (other than in the service of the United States) in the territory of such nation or in any territory occupied by the military or naval forces thereof or engaged in any business in any such territory: *Provided*, That notwithstanding the provisions of this subdivision (D) return may be made to an individual who, as a consequence of any law, decree or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial, or religious groups, has at no time between December 7, 1941, and the time when such law, decree or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation; * * *"

APPENDIX B

(Pertinent Excerpts from the Final Act and Annex of the Paris Conference on Reparations)

ARTICLE 8. ALLOCATION OF A REPARATION SHARE TO NONREPATRIABLE VICTIMS OF GERMAN ACTION

In recognition of the fact that large number of persons have suffered heavily at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any government receiving reparation from Germany, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia and Yugoslavia, in consultation with the Inter-Governmental Committee on Refugees, shall as soon as possible work out in common agreement a plan on the following general lines:

A. A share or reparation consisting of all the nonmonetary gold found by the Allied Armed Forces in Germany and in addition a sum not exceeding 25 million dollars shall be allocated for the rehabilitation and resettlement of nonrepatriable victims of German action.

B. The sum of 25 million dollars shall be met from a part of the proceeds of German assets in neutral countries which are available for reparation.

C. Governments of neutral countries shall be requested to make available for this purpose "in addition to the sum of 25 million dollars" assets in such countries of victims of Nazi action who have since died and left no heirs. (Italics supplied.)

D. The persons eligible for aid under the plan in question shall be restricted to true victims of Nazi persecution and to their immediate families and dependents, in the following classes:

1. Refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions;

2. German and Austrian nationals now resident in Germany or Austria in exceptional cases in which it is reasonable on grounds of humanity to assist such persons to emigrate and providing they emigrate to other countries within a reasonable period.

3. Nationals of countries formerly occupied by the Germans who cannot be repatriated or are not in a position to be repatriated within a reasonable time. In order to concentrate aid on the most needy and deserving refugees and to exclude persons whose loyalty to the United Nations is or was doubtful, aid shall be restricted to nationals or former nationals of previously occupied countries who were victims of Nazi concentration camps or of concentration camps established by regimes under Nazi influence but not including persons who have been confined only in prisoners of war camps.

APPENDIX C

(Pertinent Excerpts from the Five Power Agreement of June 1946)

ANNEX II: AGREEMENT ON A PLAN FOR ALLOCATION OF A REPARATION SHARE TO NONREPATRIABLE VICTIMS OF GERMAN ACTION

In accordance with the provisions of Article 8 of the Final Act of the Paris Conference on Reparation, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia, and Yugoslavia, in consultation

with the Intergovernmental Committee on Refugees, have worked out, in common agreement, the following plan to aid in the rehabilitation and resettlement of nonrepatriable victims of German action. In working out this plan the signatory Powers have been guided by the intent of Article 8, and the procedures outlined below are based on its terms:

A. It is the unanimous and considered opinion of the Five Powers that in light of Paragraph H of Article 8 of the Paris Agreement on Reparation, the assets becoming available should be used not for the compensation of individual victims but for the rehabilitation and resettlement of persons in eligible classes, and that expenditures on rehabilitation shall be considered as essential preparatory outlays to resettlement. Since all available statistics indicate beyond any reasonable doubt that the overwhelming majority of eligible persons under the provisions of Article 8 are Jewish, all assets except as specified in Paragraph B below are allocated for the rehabilitation and resettlement of eligible Jewish victims of Nazi action, among whom children should receive preferential assistance. Eligible Jewish victims of Nazi action are either refugees from Germany or Austria who do not desire to return to these countries, or German and Austrian Jews now resident in Germany or Austria who desire to emigrate, or Jews who were nationals or former nationals of previously occupied countries and who were victims of Nazi concentration camps or concentration camps established by regimes under Nazi influence.

E. Furthermore, pursuant to Paragraphs C and E of Article 8, in the interest of justice the French Government on behalf of the Five Governments concluding this Agreement are making representations to the neutral Powers to make available all assets of victims of Nazi action who died without heirs. The Governments of the United States of America, the United Kingdom, Czechoslovakia, and Yugoslavia are associating themselves with the French Government in making such representations to the neutral Powers. The conclusion that ninety-five percent, of the "heirless funds" thus made available should be allocated for the rehabilitation and resettlement of Jewish victims takes cognisance of the fact that these funds are overwhelmingly Jewish in origin, and the five percent, made available for non-Jewish victims is based upon a liberal presumption of "heirless funds" non-Jewish in origin. The "heirless funds" to be used for the rehabilitation and resettlement of Jewish victims of Nazi action should be made available to appropriate field organizations. The "heirless funds" to be used for the rehabilitation and resettlement of non-Jewish victims of Nazi action should be made available to the Intergovernmental Committee on Refugees or its successor organization for distribution to appropriate public and private field organizations. In making these joint representations, the signatories are requesting the neutral countries to take all necessary action to facilitate the identification, collection, and distribution of these assets which have arisen out of a unique condition in international law and morality.

If further representations are indicated the Governments of the United States of America, France, and the United Kingdom will pursue the matter on behalf of the Signatory Powers.

APPENDIX D

(Excerpts from the Peace Treaties Signed with Roumania and Hungary)

"All property, rights and interests in Roumania of persons, organizations or communities which, individually or as members of groups, were the object of racial, religious or other Fascist measures of persecution, and remaining heirless or unclaimed for six months after the coming into force of the present Treaty, shall be transferred by the Roumanian Government to organizations in Roumania representative of such persons, organizations or communities. The property transferred shall be used by such organizations for purposes of relief and rehabilitation of surviving members of such groups, organizations and communities in Roumania. Such transfer shall be effected within twelve months from the coming into force of the Treaty, and shall include property, rights and interests required to be restored under paragraph 1 of this Article."

APPENDIX E

(Excerpts from Military Government Law No. 59. *Restitution of Identifiable Property, U. S. Area of Control, Germany—Enacted November 10, 1947*)

PART III: GENERAL PROVISIONS ON RESTITUTION

ARTICLE 10. SUCCESSOR ORGANIZATION AS HEIR TO PERSECUTED PERSONS

A successor organization to be appointed by Military Government, shall, instead of the State, be entitled to the entire estate of any persecuted person in the case provided for in Section 1938 of the Civil Code (Escheat of estate of person dying without heirs). Neither the State nor any of its subdivisions nor a political self-governing body will be appointed as successor organization. The same shall apply to other rights in the nature of escheat based on any other provision of law.

ARTICLE 11. SPECIAL RIGHTS OF SUCCESSOR ORGANIZATIONS

1. If within six months after the effective date of this law no petition for restitution has been filed with respect to confiscated property, a successor organization appointed pursuant to Article 10 may file such a petition on or before 31 December 1948 and apply for all measures necessary to safeguard the property.

2. If the claimant himself has not filed a petition on or before 31 December 1948, the successor organization by virtue of filing the petition shall acquire the legal position of the claimant. Only after that date, and not prior thereto, shall it be entitled to prosecute the claim.

ARTICLE 13. DESIGNATION OF SUCCESSOR ORGANIZATIONS

Regulations to be issued by Military Government will provide for the manner of appointment of successor organizations, their obligations to their persecutee charges, and any further rights or obligations they may have under Military Government or German law.

APPENDIX F

(Excerpts from the Proposed Drafts Submitted by the Four Allied Powers Participating in the Austrian Peace Treaty Negotiations)

Section II

Article 44. *Property, Rights, and Interests of Minority Groups in Austria*

(Proposal of the United States)

2. Austria agrees to seek out and obtain control of all property, legal rights, and interests in Austria of persons, organizations, or communities which, individually or as members of groups, were the object of racial, religious, or other persecution by the Axis powers if, in the case of persons such property, rights, and interests remain heirless and unclaimed for six months after the coming into force of the present Treaty, or in the case of organizations and communities, such organizations or communities have ceased substantially to exist. Austria shall transfer such property, rights, and interests to appropriate organizations to be designated by the four Heads of Missions in Vienna in consultation with the Austrian Government to be used for the relief and rehabilitation of victims of persecution by the Axis Powers. Such transfer shall be effected within twelve months from the coming into force of the Treaty, and shall include property, rights, and interests required to be restored under paragraph — of this Article (2).

(Proposal of the United Kingdom, France, and the U. S. S. R.)

2. All property, rights, and interests in Austria of persons, organizations, or communities which, individually or as members of groups were the object of racial, religious, or other (national socialist) (Facist) measures of persecution, and remaining heirless or unclaimed for six months from the coming into force of the present Treaty, shall be transferred by the Austrian Government to organizations in Austria representative of such persons, organizations, or communities. The

property transferred shall be used by such organizations for the purposes of relief and rehabilitation of surviving members of such groups, organizations, and communities in Austria. Such transfer shall be effected within twelve months from the coming into force of the Treaty and shall include property, rights, and interests required to be restored under paragraph 1 of this Article (1).

APPENDIX G

(Pertinent Excerpts from Military Government Law No. 59. Restitution of Identifiable Property, U. S. Area of Control, Germany)

PART VIII: GENERAL RULES OF PROCEDURE

ARTICLE 51. PRESUMPTION OF DEATH

Any persecuted person, whose last known residence was in Germany or a country under the jurisdiction of or occupied by Germany or its allies and as to whose whereabouts or continued life after 8 May 1945 no information is available, shall be presumed to have died on 8 May 1945; however, if it appears probable that such a person died on a date other than 8 May, the Restitution Authorities may deem such other date to be the date of death.

APPENDIX H

(Reports of Departments)

DEPARTMENT OF STATE,
Washington, June 9, 1948.

Hon. JOHN S. COOPER,
Judiciary Committee, United States Senate.

MY DEAR SENATOR COOPER: Reference is made to your communication of June 4, 1948, requesting the views of this Department concerning S. 2764, a bill to amend the Trading With the Enemy Act.

The purpose of S. 2764 is to enable the Government to return property which was vested from persecuted persons (not known to be such at the time of vesting), who have died without heirs, to organizations designated by the President which will use the property for the rehabilitation and resettlement of persecuted persons. Persecuted persons who are alive, or their heirs if they are dead, may presently receive returns of vested property pursuant to Public Laws 322 and 671, Seventy-ninth Congress (sec. 32 of the TWEA). This policy was adopted because this Government has no desire to use for its own purposes, i. e., as reparation, or to pay American war claimants, the assets of persons who were themselves the victims of our enemies in World War II. It appears to this Department that the most appropriate course is to turn over the heirless assets of persecuted persons to organizations which will devote such assets to the rehabilitation and resettlement of those persecuted persons who are still alive.

Such action on the part of this Government would be consistent with, and in aid of, the provisions of the Paris Reparations Agreement of 1946. Article 8 of that agreement provides as follows:

"ARTICLE 8. ALLOCATION OF A REPARATION SHARE TO NONREPATRIABLE VICTIMS OF GERMAN ACTION

"In recognition of the fact that large numbers of persons have suffered heavily at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any government receiving reparation from Germany, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia, and Yugoslavia, in consultation with the Inter-Governmental Committee on Refugees, shall as soon as possible work out in common agreement a plan on the following general lines:

"A. A share of reparation consisting of all the nonmonetary gold found by the Allied Armed Forces in Germany and in addition a sum not exceeding \$25,000,000 shall be allocated for the rehabilitation and resettlement of nonrepatriable victims of German action.

"B. The sum of \$25,000,000 shall be met from a portion of the proceeds of German assets in neutral countries which are available for reparation.

"C. Governments of neutral countries shall be requested to make available for this purpose (in addition to the sum of \$25,000,000) assets in such countries of victims of Nazi action who have since died and left no heirs.

"D. The persons eligible for aid under the plan in question shall be restricted to true victims of Nazi persecution and to their immediate families and dependents, in the following classes:

"(i) Refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions;

"(ii) German and Austrian nationals now resident in Germany or Austria in exceptional cases in which it is reasonable on grounds of humanity to assist such persons to emigrate and providing they emigrate to other countries within a reasonable period;

"(iii) Nationals of countries formerly occupied by the Germans who cannot be repatriated or are not in a position to be repatriated within a reasonable time. In order to concentrate aid on the most needy and deserving refugees and to exclude persons whose loyalty to the United Nations is or was doubtful, aid shall be restricted to nationals or former nationals of previously occupied countries who were victims of Nazi concentration camps or of concentration camps established by regimes under Nazi influence but not including persons who have been confined only in prisoners-of-war camps.

"E. The sums made available under paragraphs A and B above shall be administered by the Inter-Governmental Committee on Refugees or by a United Nations Agency to which appropriate functions of the Inter-Governmental Committee may in the future be transferred. The sums made available under paragraph C above shall be administered for the general purposes referred to in this Article under a program of administration to be formulated by the five Governments named above.

"F. The nonmonetary gold found in Germany shall be placed at the disposal of the Inter-Governmental Committee on Refugees as soon as a plan has been worked out as provided above.

"G. The Inter-Governmental Committee on Refugees shall have power to carry out the purposes of the fund through appropriate public and private field organizations.

"H. The fund shall be used, not for the compensation of individual victims, but to further the rehabilitation or resettlement of persons in the eligible classes.

"I. Nothing in this article shall be considered to prejudice the claims which individual refugees may have against a future German Government, except to the amount of the benefits that such refugees may have received from the sources referred to in paragraphs A and C above."

It is the opinion of this Department that the enactment of S. 2764 is highly desirable as an aid in carrying out the foreign policy of the United States.

Because of the urgency of the matter this letter has not been cleared with the Bureau of the Budget, to which a copy is being sent.

Sincerely yours,

CHARLES E. BOHLEN, Counselor
(For the Secretary of State).

DEPARTMENT OF JUSTICE,
Washington, June 7, 1948.

HON. ALEXANDER WILEY,
Chairman, Senate Judiciary Committee,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This is in response to your request for the views of this Department concerning S. 2764, a bill to amend the Trading With the Enemy Act.

Section 1 of the bill would amend section 32 of the Trading With the Enemy Act by permitting the President to designate organizations as successors in interest to deceased persons, who if alive would be eligible to receive returns of property which they formerly owned but which was vested by the Alien Property Custodian. The bill is limited in its application to the property of such deceased persons who while alive were victims of political, racial, or religious persecution by the government of a country which was an enemy of the United States during World War II.

Adequate safeguards to protect the interests of the United States are explicitly provided. First, the designated organization must give satisfactory assurances that it will use the property returned for the rehabilitation and resettlement of other victims of persecution who belong to the same group as the former owner. Second, the bill requires any designated organization to undertake to give back any returned property or the equivalent value thereof at any time within 2 years if the unlikely possibility should occur that a living person entitled to the property should be discovered during that period. Third, the designated organization will make reports as required and submit to examination of its books by the Government. Moreover, no returns may be made to such an organization before July 31, 1949 (or 2 years from the date of the vesting of the property in question, whichever is later) without a determination by the President or such officer or agency as he may designate of the probable death of the former owner without surviving eligible heir or next of kin, and even after that date no return may be made if any other person has a pending claim for the return of the property. Finally, there is an explicit provision assuring that the amendment will not bar the payment of debt claims under section 34 of the Trading With the Enemy Act.

Section 2 of the bill appears to be based upon S. 2431, a bill now pending in the Senate which would extend for approximately a year the time within which claims for return may be filed under the Trading With the Enemy Act. This Department has already transmitted a favorable report on S. 2431. The present bill would add a proviso permitting successor organizations designated pursuant to section 32 to file notices of claim until January 1, 1952. This limited extension of the period for the narrow class of cases comprehended by S. 2764 seems entirely appropriate. The very nature of heirless unclaimed property would make it extremely difficult for a successor organization to ascertain the existence of such property. Indeed in the typical case it is only the circumstance that no claim has been filed prior to the regular expiration date that will give rise to a presumption that the property is heirless and thereby afford an occasion for the successor organization to file a claim.

The groups who will benefit from the proposed amendment are the very groups who were regarded as enemies by the countries against which this country went to war. The extent to which inhuman treatment of all kinds was imposed upon these people is notorious. In the imposition of persecution, they were treated as groups. This bill would treat them as groups in returning property of deceased fellow victims for the rehabilitation and resettlement of survivors. Accordingly, this Department recommends the enactment of this bill.

The Director of the Bureau of the Budget has advised that there is no objection to the submission of this report to the committee for its consideration.

Yours sincerely,

PEYTON FORD,
The Assistant to the Attorney General.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TRADING WITH THE ENEMY ACT

SEC. 32. (a) The President, or such officer or agency as he may designate, may return any property or interest vested in or transferred to the Alien Property Custodian (other than any property or interest acquired by the United States prior to December 18, 1941), or the net proceeds thereof, whenever the President or such officer or agency shall determine—

(1) that the person who has filed a notice of claim for return, in such form as the President or such officer or agency may prescribe, was the owner of such property or interest immediately prior to its vesting in or transfer to the Alien Property Custodian, or is the legal representative (whether or not appointed by a court in the United States), or successor in interest by inheritance, devise, bequest, or operation of law, of such owner; and

(2) that such owner, and legal representative or successor in interest, if any, are not—

(A) the Government of Germany, Japan, Bulgaria, Hungary, or Rumania; or

(B) a corporation or association organized under the laws of such nation: *Provided*, That any property or interest or proceeds which, but for the provisions of this subdivision (B), might be returned under this section to any such corporation or association, may be returned to the owner or owners of all the stock of such corporation or of all the proprietary and beneficial interest in such association, if their ownership of such stock or proprietary and beneficial interest existed immediately prior to vesting in or transfer to the Alien Property Custodian and continuously thereafter to the date of such return (without regard to purported divestments or limitations of such ownership by any government referred to in subdivision (A) hereof) and if such ownership was by one or more citizens of the United States or by one or more corporations organized under the laws of the United States or any State, Territory, or possession thereof, or the District of Columbia: *Provided further*, That such owner or owners shall succeed to those obligations limited in aggregate amount to the value of such property or interest or proceeds, which are lawfully assertible against the corporation or association by persons not ineligible to receive a return under this section; or

(C) an individual voluntarily resident at any time since December 7, 1941, within the territory of such nation, other than a citizen of the United States or a diplomatic or consular officer of Italy or of any nation with which the United States has not at any time since December 7, 1941, been at war: *Provided*, That an individual who, while in the territory of a nation with which the United States has at any time since December 7, 1941, been at war, was deprived of life or substantially deprived of liberty pursuant to any law, decree, or regulation of such nation discriminating against political, racial, or religious groups, shall not be deemed to have voluntarily resided in such territory; or

(D) an individual who was at any time after December 7, 1941, a citizen or subject of Germany, Japan, Bulgaria, Hungary, or Rumania, and who on or after December 7, 1941, and prior to the date of the enactment of this section, was present (other than in the service of the United States) in the territory of such nation or in any territory occupied by the military or naval forces thereof or engaged in any business in any such territory: *Provided*, That notwithstanding the provisions of this subdivision (D) return may be made to an individual who, as a consequence of any law, decree, or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial, or religious groups, has at no time between December 7, 1941, and the time when such law, decree, or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation; or

(E) a foreign corporation or association which at any time after December 7, 1941, was controlled or 50 per centum or more of the stock of which was owned by any person or persons ineligible to receive a return under subdivisions (A), (B), (C), or (D) hereof: *Provided*, That notwithstanding the provisions of this subdivision (E), return may be made to a corporation or association so controlled or owned, if such corporation or association was organized under the laws of a nation any of whose territory was occupied by the military or naval forces of any nation with which the United States has at any time since December 7, 1941, been at war, and if such control or ownership arose after March 1, 1938, as an incident to such occupation and was terminated prior to the enactment of this section; and

(3) that the property or interest claimed, or the net proceeds of which are claimed, was not at any time after September 1, 1939, held or used, by or with the assent of the person who was the owner thereof immediately prior to vesting in or transfer to the Alien Property Custodian, pursuant to any arrangement to conceal any property or interest within the United States of any person ineligible to receive a return under subsection (a) (2) hereof:

(4) that the Alien Property Custodian has no actual or potential liability under the Renegotiation Act or the Act of October 31, 1942 (56 Stat. 1013; 35 U. S. C. 89-96), in respect of the property or interest or proceeds to be returned and that the claimant and his predecessor in interest, if any, have no actual or potential liability of any kind under the Renegotiation Act or the said Act of October 31, 1942; or in the alternative that the claimant has provided security or undertakings adequate to assure satisfaction of all such liabilities or that property or interest or proceeds to be retained by the Alien Property Custodian are adequate therefor; and

(5) that such return is in the interest of the United States.

(b) Notwithstanding the limitation prescribed in the Renegotiation Act upon the time within which petitions may be filed in The Tax Court of the United States, any person to whom any property or interest or proceeds are returned hereunder shall, for a period of ninety days (not counting Sunday or a legal holiday in the District of Columbia as the last day) following return, have the right to file such a petition for a redetermination in respect of any final order of the War Contracts Price Adjustment Board determining excessive profits, made against the Alien Property Custodian, or of any determination, not embodied in an agreement, of excessive profits, so made by or on behalf of a Secretary.

(c) Any person to whom any invention, whether patented or unpatented, or any right or interest therein is returned hereunder shall be bound by any notice or order issued or agreement made pursuant to the Act of October 31, 1942 (56 Stat. 1013; 35 U. S. C. 89-96), in respect of such invention or right or interest, and such person to whom a licensor's interest is returned shall have all rights assertible by a licensor pursuant to section 2 of the said Act.

(d) Except as otherwise provided herein, and except to the extent that the President or such officer or agency as he may designate may otherwise determine, any person to whom return is made hereunder shall have all rights, privileges, and obligations in respect to the property or interest returned or the proceeds of which are returned which would have existed if the property or interest had not vested in the Alien Property Custodian, but no cause of action shall accrue to such person in respect of any deduction or retention of any part of the property or interest or proceeds by the Alien Property Custodian for the purpose of paying taxes, costs, or expenses in connection with such property or interest or proceeds: *Provided*, That except as provided in subsections (b) and (c) hereof, no person to whom a return is made pursuant to this section, nor the successor in interest of such person, shall acquire or have any claim or right of action against the United States or any department, establishment, or agency thereof, or corporation owned thereby, or against any person authorized or licensed by the United States, founded upon the retention, sale, or other disposition, or use, during the period it was vested in the Alien Property Custodian, of the returned property, interest, or proceeds. Any notice to the Alien Property Custodian in respect of any property or interest or proceeds is returned and such person shall succeed to all burdens and obligations in respect of such property or interest or proceeds which accrued during the time of retention by the Alien Property Custodian, but the period during which the property or interest or proceeds returned were vested in the Alien Property Custodian shall not be included for the purpose of determining the application of any statute of limitations to the assertion of any rights by such person in respect of which property or interest or proceeds.

(e) No return hereunder shall bar the prosecution of any suit at law or in equity against a person to whom return has been made, to establish any right, title, or interest, which may exist or which may have existed at the time of vesting, in or to the property or interest returned, but no such suit may be prosecuted by any person ineligible to receive a return under subsection (a) (2) hereof. With respect to any such suit, the period during which the property or interest or proceeds returned were vested in the Alien Property Custodian shall not be included for the purpose of determining the application of any statute of limitations.

(f) At least thirty days before making any return to any person other than a resident of the United States, or a corporation organized under the laws of the United States, or any State, Territory, or possession thereof, or the District of Columbia, the President or such officer or agency as he may designate shall publish in the Federal Register a notice of intention to make such return, specifying therein the person to whom return is to be made and the place where the property or interest or proceeds to be returned are located. Publication of a notice of intention to return shall confer no right of action upon any person to compel the return of any such property or interest or proceeds, and such notice of intention to return may be revoked by appropriate notice in the Federal Register. After publication of such notice of intention and prior to revocation thereof, the property or interest or proceeds specified shall be subject to attachment at the suit of any citizen or resident of the United States or any corporation organized under the laws of the United States, or any State, Territory, or possession thereof, or the District of Columbia, in the same manner as property of the person to whom return is to be made: *Provided*, That notice of any writ of attachment which may issue prior to return shall be served upon the Alien Property Custodian. Any

such attachment proceeding shall be subject to the provisions of law relating to limitation of actions applicable to actions at law in the jurisdiction in which such proceeding is brought, but the period during which the property or interest or proceeds were vested in the Alien Property Custodian shall not be included for the purpose of determining the period of limitation. No officer of any court shall take actual possession, without the consent of the Alien Property Custodian, of any property or interest or proceeds so attached, and publication of a notice of revocation of intention to return shall invalidate any attachment with respect to the specified property or interest or proceeds, but if there is no such revocation, the President or such officer or agency as he may designate shall accord full effect to any such attachment in returning any such property or interest or proceeds.

(g) Without limitation by or upon any other existing provision of law with respect to the payment of expenses by the Alien Property Custodian, the Custodian may retain or recover from any property or interest or proceeds returned pursuant to this section or section 9 (a) of this Act an amount not exceeding that expended or incurred by him for the conservation, preservation, or maintenance of such property or interest or proceeds, or other property or interest or proceeds returned to the same person.

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

No return may be made to an organization so designated unless it files notice of claim on or before July 1, 1953, and unless it gives firm and responsible assurance approved by the President that (i) it will sell and dispose of and use the property or interest returned to it or the proceeds of any such property or interest for use directly in the rehabilitation and settlement of persons who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and (D) of subsection (a) (2) hereof, by reason of their membership in the particular political, racial, or religious group of which the former owner was a member and by reason of membership in which such former owner so suffered such deprivation of liberty or so failed to enjoy such rights; (ii) it will transfer, at any time within two years from the time that return is made, such property or interest or the equivalent value thereof to any person whom the President or such officer or agency shall determine to be eligible under section 32 to claim as owner or successor in interest to such owner, by inheritance, devise, or bequest; and (iii) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the property or interest returned to it or the proceeds of any such property or interest) and permit such examination of its books as the President or such officer or agency may from time to time require.

The filing of notice of claim by an organization so designated shall not bar the payment of debt claims under section 34 of this Act.

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

Sec. 33. No return may be made pursuant to section 9 or 32 unless notice of claim has been filed: (a) in the case of any property or interest acquired by the United States prior to December 18, 1941, by August 9, 1948; or (b) in the case of any property or interest acquired by the United States on or after December 18, 1941, by April 30, 1949, or two years from the vesting of the property or interest in respect of which the claim is made, whichever is later[.]; *except that return may be made to successor organizations designated pursuant to section 32 (h) hereof if notice of claim is filed on or before July 1, 1953. No suit pursuant to section 9 may be instituted after April 30, 1949, or after the expiration of two years from the date of the seizure by or vesting in the Alien Property Custodian, as the case may be, of the property or interest in respect of which relief is sought, whichever is later, but in computing such two years there shall be excluded any period during which there was pending a suit or claim for return pursuant to section 9 or 32 (a) hereof.*

(Orig. m)

Calendar No. 763

81st CONGRESS }
1st Session }

SENATE

{ REPORT
No. 784

AMENDING THE TRADING WITH THE ENEMY ACT

JULY 25 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mr. McGRATH, from the Committee on the Judiciary, submitted the following

REPORT

(To accompany S. 603)

The Committee on the Judiciary, to whom was referred the bill (S. 603) to amend the Trading With the Enemy Act, having considered the same, do now report the bill to the Senate favorably, with amendments, and recommend that the bill do pass.

The committee amendments are designed to clarify the bill and provide additional safeguards in its administration.

PURPOSE

Briefly stated, the purpose of the proposed legislation, as amended is to enable the Government to turn over property which was vested from persecuted persons (not known to have been such at the time of vesting) who died without heirs, to organizations designated by the President which will use the property for the rehabilitation and re-settlement of persecuted persons.

BACKGROUND AND SUMMARY

On August 8, 1946, the Congress of the United States, by enactment of an amendment to section 32 (a) (2) of the Trading With the Enemy Act, sought to provide for the release of property vested in the Alien Property Custodian, where it was apparent that the former owner of the assets was an individual who "was deprived of life or substantially deprived of liberty pursuant to any law, decree or regulation * * * discriminating against political, racial, or religious groups * * *" in an enemy country.

By this amendment a necessary and clear-cut distinction was effected between the property of those individuals who were in fact our enemies in the last war, and those who by their extreme persecution at the hands of their governments were the "enemies of our enemies" and

Some good background
of activities in the 1940s

our own allies. Although making clear the intention that the United States Government should not profit in any way from the assets of the latter class of individuals, and although setting forth a definite procedure for the release of property by the Alien Property Custodian where persecuted owners or their heirs are still alive, the amendment did not and probably could not at that time provide specifically for the extreme situation in which the persecuted individual and his entire family had been wiped out by the enemy regime, thus leaving the property heirless. It is therefore now proposed, 2 years after the enactment of the above amendment and at a time when it has become clear that certain of the owners or heirs of this property will never appear, that a new amendment to section 32 (a) (2) be enacted whereby successor organizations representing the persecuted group to which the deceased owner belonged will be designated as the "successor in interest" to such assets in the United States and whereby these successor organizations will be enabled to expend the assets for the rehabilitation and resettlement of surviving members of the persecuted groups.

The amount of money affected will not be large. The amendment now proposed will support and find support in the policy consistently followed by the United States Government in various international accords on the subject of heirless persecutee assets in Europe. It will also provide needed support to representatives of the United States Government in negotiations with the Swiss Government regarding heirless assets in that country.

A bill embodying this proposal (S. 2764) passed the Senate in the Eightieth Congress; a similar bill (H. R. 6817) was not reported out of committee by the House Interstate and Foreign Commerce Committee.

The legislation here proposed sets up a simple and efficient procedure under which the heirless persecutee assets shall be turned over directly to representative successor organizations, subject to adequate safeguards. It provides that the President shall designate one or more organizations as successors in interest to individuals shown to have been members of groups persecuted by the enemy regimes and whose assets in the hands of the Alien Property Custodian may be presumed ownerless and heirless by virtue of the nonappearance of any claimants during the period allowed them under the law for the filing of their claims. Where a notice of claim is filed by the successor organization before the expiration of the latter period, the bill requires an affirmative showing to support a finding that the owner is deceased and is not survived by any eligible claimants.

The bill also sets up a procedure whereby, before assets are turned over to the successor organizations, the President, or an officer or agency designated by him, shall determine that the successor organization to which it will be returned will use the property in behalf of surviving persecutees of the same groups as the former owner, that the successor organization has given adequate guaranties of repayment to owners or claimants who may appear in the future and that it will file required reports and permit examination of its books. Finally, the proposal includes suggested technical, conforming changes in section 33 of the Trading With the Enemy Act which will be necessitated in the event of successful passage of the principal proposal for section 32.

EXPLANATION OF PROVISIONS

A. General Basis of Proposal

The origins of both the August 8, 1946, amendment to section 32 of the Trading With the Enemy Act and the present proposal are found in the persecution by the Nazi and other enemy regimes of minority groups, principally the Jews, beginning in the early 1930's. Although the actual taking of life on a large scale did not commence until several years later, the minority groups began from the onset of the persecution program to search for avenues of escape. Simultaneously, of course, they sought also to transfer part of their property to foreign countries from which they might later be able to reclaim it. Tragically, in the case of hundreds of thousands of these individuals, it was never possible to leave Europe and the sometimes successful transfer of their wealth abroad was often followed by the murder of the owners either in Germany or in Polish extermination camps. When the waves of war had subsided, the property of these groups was found on deposit in all parts of the world, and the problem immediately presented itself of returning assets to those owners or their heirs who had survived, or otherwise disposing of the assets where it was discovered that the owners had perished and were heirless.

In the United States, the first step toward meeting this problem was taken by the Congress in the afore-mentioned amendment of August 8, 1946, to section 32 (a) (2) of the Trading With the Enemy Act (see appendix A of this report setting forth the pertinent provisions of this amendment). In this legislative enactment, the Congress clearly accepted the principle that the property rights of the persecuted groups must be reestablished, that the confiscation or "vesting" which was justified and necessitated in the case of enemy property should not be extended beyond the cessation of hostilities in the case of the persecuted groups, and that Government should not seek in any way to profit from these assets. At the same time, the amendment could only be considered a necessary first step designed to afford an opportunity for making claims in the case of persecuted owners or their heirs who were still alive; unless and until this first step had been taken, there could obviously be no sound legal basis either for postulating the existence of an heirless property question or for laying down the necessary presumptions of death and heirlessness which would be required in the subsequent machinery for the handling of this question. In the 2 years that have elapsed since the enactment of the above amendment, it has become abundantly and tragically clear that some of the persecuted-category property in the hands of the Alien Property Custodian will in fact never be claimed. The suggestion for the enactment of a necessary, further amendment to section 32 is therefore now completely timely. The proposed amendment, in providing that the assets be transferred to representative successor organizations who will make use of them on behalf of the pitifully impoverished survivors from the same persecuted groups as the owners, sets forth a logical and humanitarian method for expending these funds and follows a pattern which has already been accepted in other instances by the various allied governments, including our own.

There can be no questioning the underlying logic and justification of such an amendment. Clearly, in extending virtual "allied" status

4 AMENDING THE TRADING WITH THE ENEMY ACT

to the persecuted-category property under the amendment of August 8, 1946, the Congress did not contemplate that a lesser treatment would be applied in the most extreme cases of persecution, viz, the cases where the persecuted owner and his entire family have been wiped out, leaving the property heirless and unclaimed. A failure to enact the legislation here proposed would have the obviously unintended effect of mingling these assets of the completely destroyed families with those which are truly enemy in character, and exposing them to the same ultimate disposition which will be effected by the United States Government for that category of property.

The general approach incorporated in this proposed legislation represents also the only humanitarian one and the only realistic one possible in view of the extraordinary experiences of those persecuted groups over the last 15 years and the extraordinary present-day needs of the survivors. These victims of persecution, it should be remembered, were treated as a group or "community" in being subjected to fines, labor demands, furnishing of hostages, and outright confiscation and inruder at the hands of our enemies. Indeed, their property was taken by the United States because they were part of a large political group (i. e., enemy nationals). To refuse to treat them as a group or community when there is a possibility of their receiving aid and to emphasize their individuality only when it becomes a barrier to receiving a benefit is an injustice which the Government of the United States should be avid to avoid.

Finally, it should be remembered also that the Jews of Europe, who constituted the overwhelming majority of the foreign depositors herein considered, possessed up to \$9,000,000,000 of property before the commencement of their persecution at the hands of the enemy regimes. It has been recently estimated that their postwar assets, including property recovered under the various restitution laws, does not exceed \$3,000,000,000. As against this loss of \$6,000,000,000 of confiscated and looted property, not to mention the toll of 6,000,000 lives destroyed in concentration camps, the few hundred thousands of dollars which will be affected by this proposed amendment represent a welcome but tiny recompense indeed to the hungry and broken survivors in Europe.

B. National and international enactments dealing with the problem of heirless property of persecuted groups

Since the close of the war, there have been numerous instances in which the allied governments, alone or in concert, have accepted and followed the principle that the heirless property of persecuted groups should be used for the benefit of the surviving members of these groups. For example, in the inter-Allied agreement embodied in the final act of the Paris Conference on Reparations, December 1945, to which the United States was a signatory, it was provided not only that a share of German assets in neutral countries should be turned over for the resettlement and rehabilitation of the persecuted groups in Europe, but it was also stated specifically that heirless and unclaimed assets of the persecuted groups which might be found in neutral countries should be turned over for this same purpose. (See appendix B of this report, setting forth the pertinent provisions from the final act of the Paris Conference on Reparations.)

Subsequently, in the Five-Power Agreement of June 1946, which was negotiated for the purpose of implementing the Final Act of the Paris Reparations Conference and which was participated in and accepted by the United States Government, the specific program for the turning over of these assets to the minority persecuted survivors was set forth in detail. (See Appendix C of this report, setting forth the pertinent provisions of the Five Power Agreement, June 1946).

Finally, in the treaties with the satellite countries, provision was again made for the use of the heirless persecuttee-category assets in behalf of surviving persecutees. (See Appendix D of this report, which sets forth the appropriate provision of the peace treaties with Rumania and Hungary.)

In ratifying the peace treaties with the satellite countries, the United States Congress has thus maintained with logical consistency its acceptance of the general principle, as demonstrated in the August 8, 1946, amendment to section 32 of the Trading With the Enemy Act, that separate, equitable considerations must be recognized in the case of persecuttee-category property; and in ratifying these peace treaties, the Congress has also already extended this principle to the point of recognizing that heirless assets should be used in behalf of the survivors of the persecuted groups. Unilaterally, this policy of our Government has been further demonstrated in the recently enacted Military Government Law No. 59, instituted by our Military Government in the United States Zone of Germany, and by the proposals on the heirless property question submitted from the United States delegation in the negotiations for an Austrian peace treaty. (See Appendix E of this report for the pertinent provisions of Military Government Law No. 59. See also Appendix F which sets forth excerpts from the draft proposal of the United States, and also from the proposal of the French, United Kingdom and U. S. S. R. delegations in the Austrian peace treaty negotiations.)

C. Relationship between proposed amendment and pending negotiations regarding heirless assets in Switzerland

It is generally recognized that the largest depositories for the assets of deceased minority victims are Switzerland and the United States. As a signatory to the afore-mentioned Paris reparations accords, the United States has made representations toward effective implementation of these agreements with respect to the Swiss deposits. (The afore-mentioned Paris agreements, it will be noted, contain reference to the deposits in "neutral countries.") In response to such representations, however, the Swiss and other governmental representatives have reportedly pointed to the inactivity of the United States with respect to those heirless assets within its borders, as a basis for their own continued inactivity. Thus, the proposed amendment will lend needed support to the State Department in that office's efforts to secure effective enforcement of international agreements.

D. Justification for the language of the proposed amendment

The starting point of the proposed amendment, it should be pointed out, is the language in the present section 32 (a) (2) of the act which permits persecuttee claimants of vested property to petition the Alien Property Custodian for the return of their property and which also provides that the "legal representative or successor in interest" of such owners may obtain return of the property. (See afore-mentioned

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Appendix A.) By providing that successor organizations shall be deemed "successor in interest by operation of law" for purposes of the above clauses, the proposed amendment thus operates within the already-existing framework of the Trading With the Enemy Act.

With respect to the problem of proof and evidence, it is essential, of course, that the amendment take into consideration and reflect the extraordinary and unprecedented circumstances which attended the mass exterminations in concentration camps and the mass burials of the victimized minorities of the enemy regimes. According to all available information received from overseas sources familiar with the problem, there are virtually no records to be had regarding the proof of death, the dates of death or the places of burial of the individual deceased, and it has become clear that no new records will be revealed in the future. To approach this problem, therefore, with the formal requirements of proof would do a serious injustice to the victims and would represent a virtual "closing of the eyes" to the realities of their fate. In the light of these circumstances, the proposed amendment embodies the approach used in the satellite peace treaties and in various legislative enactments in European countries, where it is presumed that, if no owner or heirs appear to claim the property within a specified period of time, the property is ownerless and heirless and the property is then turned over directly to a successor organization. (See appendixes D, E, F, and G, for appropriate examples of legislation in Europe.) Where, however, a claim is made by the successor organization prior to such a deadline date, it will be noted that the amendment requires an affirmative showing to support a finding that the owner is dead and that he is not survived by any eligible heirs or successors.

It will be noted also that the proposed amendment contains the following language designed to safeguard the interest of the former legal owners under all possible circumstances and to save the United States Government harmless from any conceivable liability:

* * * No return may be made * * * unless it (the successor organization) gives assurances satisfactory to the President that * * * (ii) it will transfer, at any time within 2 years from the time that return is made, such property or interests or the equivalent value thereof to any person designated as entitled thereto pursuant to this Act by the President or such officers or agency * * *

Finally, the proposed amendment contains the requirement, under (i), that the assets released to the successor organization will be used for the benefit of survivors within the same persecuted group as the former owner.

The proposal regarding an accompanying amendment to section 33 of the Trading With the Enemy Act simply incorporates technical conforming changes in that section which will be required if the principal amendment to section 32 is passed.

AMOUNTS INVOLVED

For reasons hitherto discussed, it would be extremely difficult to estimate accurately what percentage of the enemy assets vested in the Alien Property Custodian today would fall under the coverage of the proposed amendment. In the absence of any official estimates and on the basis of only general knowledge and information which is

available regarding the property that has been vested by the Alien Property Custodian (for example, the information that the overwhelming share of that property consists of the assets of the large German and Japanese corporations, such as I. G. Farben Co.), it has been suggested by a number of competent observers that the amount involved will range between \$500,000 and \$2,000,000. Although it must be emphasized that this estimate is entirely tentative and that until an actual experience has been had with administration of the proposed amendment, no truly accurate estimates are possible, it is nevertheless completely clear that the total amount of money which will be affected by this legislation is relatively inconsequential.

TIME FACTOR

The enactment of the amendment to section 32 herein proposed is a matter of urgency. There will be a tremendous amount of work involved in gathering the minimum information and evidence required under the proposed amendment, and there is relatively little time for preparation of claims.

REPORTS FROM DEPARTMENTS

Favorable reports from the Department of State and the Department of Justice on this proposal, as embodied in the proposal which passed the Senate last year (S. 2764), are set forth, in full, in appendix H of this report.

APPENDIXES

APPENDIX A

(Pertinent excerpts from Section 32 of the Trading with the Enemy Act.)
Section 32 (a) (2) of the Trading with the Enemy Act of October 6, 1917, provides that property may be returned where:
"(2) * * * the owner, and legal representative or successor in interest, if any, are not

"C. An individual voluntarily resident at any time since December 7, 1941, within the territory of such nations, other than a citizen of the United States or a diplomatic or consular officer of Italy or of any nation with which the United States has not at any time since December 7, 1941, been at war: *Provided*, That an individual who, while in the territory of a nation with which the United States has at any time since December 7, 1941, been at war, was deprived of life or substantially deprived of liberty pursuant to any law decree or regulation of such nation discriminating against political, racial, or religious groups, shall not be deemed to have voluntarily resided in such territory; or

"D. An individual who was at any time after December 7, 1941, a citizen or subject of Germany, Japan, Bulgaria, Hungary, or Rumania, and who on or after December 7, 1941, and prior to the date of the enactment of this section, was present (other than in the service of the United States) in the territory of such nation or in any territory occupied by the military or naval forces thereof or engaged in any business in any such territory: *Provided*, That notwithstanding the provisions of this subdivision (D) return may be made to an individual who, as a consequence of any law, decree or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial, or religious groups, has at no time between December 7, 1941, and the time when such law, decree or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation: * * *

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political self-governing body will be appointed as successor organization. The same shall apply to other rights in the nature of escheat based on any other provision of law.

ARTICLE 11. SPECIAL RIGHTS OF SUCCESSOR ORGANIZATIONS

1. If within six months after the effective date of this law no petition for restitution has been filed with respect to confiscated property, a successor organization appointed pursuant to Article 10 may file such a petition on or before 31 December 1948 and apply for all measures necessary to safeguard the property.
2. In the claimant himself has not filed a petition on or before 31 December 1948, the successor organization by virtue of filing the petition shall acquire the legal position of the claimant. Only after that date, and not prior thereto, shall it be entitled to prosecute the claim.

ARTICLE 13. DESIGNATION OF SUCCESSOR ORGANIZATIONS

Regulations to be issued by Military Government will provide for the manner of appointment of successor organizations, their obligations to their persecutees charges, and any further rights or obligations they may have under Military Government or German law.

APPENDIX F

(Excerpts from the Proposed Drafts Submitted by the Four Allied Powers Participating in the Austrian Peace Treaty Negotiations)

Section II

Article 44. Property, Rights, and Interests of Minority Groups in Austria.

(Proposal of the United States)

2. Austria agrees to seek out and obtain control of all property, legal rights, and interests in Austria of persons, organizations, or communities which, individually or as members of groups, were the object of racial, religious, or other persecution by the Axis powers if, in the case of persons such property, rights, and interests remain heirless and unclaimed for six months after the coming into force of the present Treaty, or in the case of organizations and communities, such organizations or communities have ceased substantially to exist. Austria shall transfer such property, rights, and interests to appropriate organizations to be designated by the four Heads of Missions in Vienna in consultation with the Austrian Government to be used for the relief and rehabilitation of victims of persecution by the Axis Powers. Such transfer shall be effected within twelve months from the coming into force of the Treaty, and shall include property, rights, and interests required to be restored under paragraph — of this Article (2).

(Proposal of the United Kingdom, France and the U. S. S. R.)

2. All property, rights, and interests in Austria of persons, organizations, or communities which, individually or as members of groups were the object of racial, religious, or other (national socialist) (Fascist) measures of persecution and remaining heirless or unclaimed for six months from the coming into force of the present Treaty, shall be transferred by the Austrian Government to organizations in Austria representative of such persons, organizations, or communities. The property transferred shall be used by such organizations for the purposes of relief and rehabilitation of surviving members of such groups, organizations, and communities in Austria. Such transfer shall be effected within twelve months from the coming into force of the Treaty and shall include property, rights, and interests required to be restored under paragraph 1 of this Article (1).

APPENDIX G

(Pertinent Excerpts from Military Government Law No. 59, *Restitution of Identifiable Property*, U. S. Area of Control, Germany)

PART VIII: GENERAL RULES OF PROCEDURE

ARTICLE 51. PRESUMPTION OF DEATH

Any persecuted person, whose last known residence was in Germany or a country under the jurisdiction of or occupied by Germany or its allies and as to whose whereabouts or continued life after 8 May 1945 no information is available, shall be presumed to have died on 8 May 1945; however, if it appears probable that such a person died on a date other than 8 May, the Restitution Authorities may deem such other date to be the date of death.

APPENDIX H

(Reports of Departments)

DEPARTMENT OF STATE,
Washington, June 9, 1948.

Hon. JOHN S. COOPER,
Judiciary Committee, United States Senate.

MY DEAR SENATOR COOPER: Reference is made to your communication of June 4, 1948, requesting the views of this Department concerning S. 2764, a bill to amend the Trading With the Enemy Act.

The purpose of S. 2764 is to enable the Government to return property which was vested from persecuted persons (not known to be such at the time of vesting), who have died without heirs, to organizations designated by the President which will use the property for the rehabilitation and resettlement of persecuted persons. Persecuted persons who are alive, or their heirs if they are dead, may presently receive returns of vested property pursuant to Public Laws 322 and 671, Seventy-ninth Congress (sec. 32 of the TWEA). This policy was adopted because this Government has no desire to use for its own purposes, i. e., as reparation, or to pay American war claimants, the assets of persons who were themselves the victims of our enemies in World War II. It appears to this Department that the most appropriate course is to turn over the heirless assets of persecuted persons to organizations which will devote such assets to the rehabilitation and resettlement of those persecuted persons who are still alive.

Such action on the part of this Government would be consistent with, and in aid of, the provisions of the Paris Reparations Agreement of 1946. Article 8 of that agreement provides as follows:

"ARTICLE 8. ALLOCATION OF A REPARATION SHARE TO NONREPATRIABLE VICTIMS OF GERMAN ACTION

"In recognition of the fact that large numbers of persons have suffered heavily at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any government receiving reparation from Germany, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia, and Yugoslavia, in consultation with the Inter-Governmental Committee on Refugees, shall as soon as possible work out in common agreement a plan on the following general lines:

"A. A share of reparation consisting of all the nonmonetary gold found by the Allied Armed Forces in Germany and in addition a sum not exceeding \$25,000,000 shall be allocated for the rehabilitation and resettlement of nonrepatriable victims of German action.

"B. The sum of \$25,000,000 shall be met from a portion of the proceeds of German assets in neutral countries which are available for reparation.

"C. Governments of neutral countries shall be requested to make available for this purpose (in addition to the sum of \$25,000,000) assets in such countries of victims of Nazi action who have since died and left no heirs.

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"D. The persons eligible for aid under the plan in question shall be restricted to true victims of Nazi persecution and to their immediate families and dependents, in the following classes:

"(i) Refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions;

"(ii) German and Austrian nationals now resident in Germany or Austria in exceptional cases in which it is reasonable on grounds of humanity to assist such persons to emigrate and providing they emigrate to other countries within a reasonable period;

"(iii) Nationals of countries formerly occupied by the Germans who cannot be repatriated or are not in a position to be repatriated within a reasonable time. In order to concentrate aid on the most needy and deserving refugees and to exclude persons whose loyalty to the United Nations is or was doubtful, aid shall be restricted to nationals or former nationals of previously occupied countries who were victims of Nazi concentration camps or of concentration camps established by regimes under Nazi influence but not including persons who have been confined only in prisoners of war camps.

"E. The sums made available under paragraphs A and B above shall be administered by the Inter-Governmental Committee on Refugees or by a United Nations Agency to which appropriate functions of the Inter-Governmental Committee may in the future be transferred. The sums made available under paragraph C above shall be administered for the general purposes referred to in this Article under a program of administration to be formulated by the five Governments named above.

"F. The nonmonetary gold found in Germany shall be placed at the disposal of the Inter-Governmental Committee on Refugees as soon as a plan has been worked out as provided above.

"G. The Inter-Governmental Committee on Refugees shall have power to carry out the purposes of the fund through appropriate public and private field organizations.

"H. The fund shall be used, not for the compensation of individual victims, but to further the rehabilitation or resettlement of persons in the eligible classes.

"I. Nothing in this article shall be considered to prejudice the claims which individual refugees may have against a future German Government, except to the amount of the benefits that such refugees may have received from the sources referred to in paragraphs A and C above."

It is the opinion of this Department that the enactment of S. 2764 is highly desirable as an aid in carrying out the foreign policy of the United States.

Because of the urgency of the matter this letter has not been cleared with the Bureau of the Budget, to which a copy is being sent.

Sincerely yours,

CHARLES E. BOHLEN, *Counselor*
(For the Secretary of State).

DEPARTMENT OF JUSTICE,
Washington, June 7, 1948.

Hon. ALEXANDER WILEY,
Chairman, Senate Judiciary Committee,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This is in response to your request for the views of this Department concerning S. 2764, a bill to amend the Trading With the Enemy Act.

Section 1 of the bill would amend section 32 of the Trading With the Enemy Act by permitting the President to designate organizations as successors in interest to deceased persons, who if alive would be eligible to receive returns of property which they formerly owned but which was vested by the Alien Property Custodian. The bill is limited in its application to the property of such deceased persons who while alive were victims of political, racial, or religious persecution by the government of a country which was an enemy of the United States during World War II.

Adequate safeguards to protect the interests of the United States are explicitly provided. First, the designated organization must give satisfactory assurances that it will use the property returned for the rehabilitation and resettlement of other victims of persecution who belong to the same group as the former owner. Second, the bill requires any designated organization to undertake to give back

any returned property or the equivalent value thereof at any time within 2 years, if the unlikely possibility should occur that a living person entitled to the property should be discovered during that period. Third, the designated organization will make reports as required and submit to examination of its books by the Government. Moreover, no returns may be made to such an organization before July 31, 1949 (or 2 years from the date of the vesting of the property in question, whichever is later) without a determination by the President or such officer or agency as he may designate of the probable death of the former owner without surviving eligible heir or next of kin, and even after that date no return may be made if any other persons has a pending claim for the return of the property. Finally, there is an explicit provision assuring that the amendment will not bar the payment of debt claims under section 34 of the Trading With the Enemy Act.

Section 2 of the bill appears to be based upon S. 2431, a bill now pending in the Senate which would extend for approximately a year the time within which claims for return may be filed under the Trading With the Enemy Act. This Department has already transmitted a favorable report on S. 2431. The present bill would add a proviso permitting successor organizations designated pursuant to section 32 to file notices of claim until January 1, 1952. This limited extension of the period for the narrow class of cases comprehended by S. 2764 seems entirely appropriate. The very nature of heirless unclaimed property would make it extremely difficult for a successor organization to ascertain the existence of such property. Indeed in the typical case it is only the circumstance that no claim has been filed prior to the regular expiration date that will give rise to a presumption that the property is heirless and thereby afford an occasion for the successor organization to file a claim.

The groups who will benefit from the proposed amendment are the very groups who were regarded as enemies by the countries against which this country went to war. The extent to which inhuman treatment of all kinds was imposed upon these people is notorious. In the imposition of persecution, they were treated as groups. This bill would treat them as groups in returning property of deceased fellow victims for the rehabilitation and resettlement of survivors. Accordingly, this Department recommends the enactment of this bill.

The Director of the Bureau of the Budget has advised that there is no objection to the submission of this report to the committee for its consideration.

Yours sincerely,

PEYTON FORD,
The Assistant to the Attorney General.

Serial Set 12243

SETTLEMENT OF CLAIMS OF SUCCESSOR ORGANIZATIONS
FOR RETURN OF VESTED HEIRLESS PROPERTY

FEBRUARY 1, 1960.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. MACK of Illinois, from the Committee on Interstate and Foreign
Commerce, submitted the following

REPORT

[To accompany H.R. 6462]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H.R. 6462) to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PRINCIPAL PURPOSE OF THE BILL

* The principal purpose of the bill is to provide for a \$500,000 lump-sum settlement of all claims of successor organizations for return of heirless vested property pursuant to section 32(h) of the Trading With the Enemy Act, which was added by Public Law 626, 83d Congress. That section today authorizes the return to a designated successor organization (the Jewish Restitution Successor Organization), for use in rehabilitation of needy persecutees, of up to \$3 million of vested property of individuals who, if alive, would be eligible for return thereof, as persecutees of our former enemies.

HISTORY OF PROPOSAL

During World War II, pursuant to the Trading With the Enemy Act, property located in the United States which was owned by enemy nationals was vested by the United States. Public Law 671, 79th Congress, provided that vested property could be returned to its former owner, or his successor in interest, if such former owner was "an individual who, as a consequence of any law, decree, or regulation of the nation of which he was then a citizen or subject, discriminating

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against political, racial, or religious groups, has at no time between December 7, 1941, and the time when such law, decree, or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation."

In many cases, persons who otherwise would have been entitled to return of property under Public Law 671, together with their families, were exterminated by our wartime enemies. In recognition of this, on numerous occasions, the United States has taken the position that the assets of persecuted persons who have died without heirs should be used for rehabilitation and resettlement of surviving persecutees. For example, the interallied agreement embodied in the final act of the Paris Conference on Reparations, January 1946, specifically provided that heirless assets found in neutral countries should be used for this purpose. Other agreements and treaties to which the United States was a party also provided similar treatment for heirless property. Extracts from these agreements and treaties are set out in appendix A of this report.

In pursuance of this national policy, the Congress enacted Public Law 626, 83d Congress, which added the present subsection (h) to section 32 of the Trading With the Enemy Act. That subsection provides that up to \$3 million in vested property may be returned to one or more organizations designated by the President as successor in interest to deceased persecutees. Amounts returned under this subsection are required to be "used on the basis of need in the rehabilitation and settlement of persons in the United States who suffered substantial deprivation of liberty or failed to enjoy full rights of citizenship."

By Executive Order No. 10587, of January 13, 1955, the President designated the Jewish Restitution Successor Organization, a charitable membership organization incorporated under the laws of New York, as successor in interest to such deceased persons. (See app. B.)

That organization presently has pending with the Alien Property Custodian a total of 1,800 claims under section 32(h) of the Trading With the Enemy Act. No payments have as yet been made under such section 32(h), primarily because of the difficulties attendant upon proof of ownership of specific assets.

PROVISIONS OF THE BILL

The bill reported by the committee will settle the problems involved in the administration of such section 32(h). Under the bill, a total of \$500,000 will be paid out of the proceeds of vested property to successor organizations designated by the President under section 32(h). Acceptance of payment will discharge all claims of such organizations under such section 32(h). The President is authorized to designate additional organizations to whom payment may be made. In such case, the proportions in which such \$500,000 will be distributed among designated organizations shall be those in which heirless property was distributed pursuant to certain postwar international agreements to which the United States was a party.

The enactment of the bill will permit prompt settlement of claims, and requires that the payments be used for the relief and rehabilitation in the United States of needy surviving persecutees. It will take into account the fact that the claims already filed include many claims in

which there is existing proof, under the usual standards, entitling the successor organization to returns. The Department of Justice has estimated that, of the claims filed, approximately 500, involving about \$500,000, are the maximum in which the Jewish Restitution Successor Organization has a possibility of obtaining return under section 32(h). Many of these claims involve substantial amounts in which hearings would be necessary to determine the merit of the successor organization's claim. A substantial number of other claims have been filed, additional to the above categories, in which it is probable that the property is heirless, but in which, because of the standards of proof imposed on individuals by the Trading With the Enemy Act, proof that the specific item of property involved is actually heirless is likely to be missing, due in many cases to the fact that the persons best able to establish ownership were exterminated.

AGENCY POSITIONS

The report of the Department of State takes no position on the proposed legislation, but indicates that similar arrangements made in the past have served to the advantage of all parties. The reports of the Department of Justice and of the Bureau of the Budget state that they would have no objection to a lump-sum settlement of these claims in the amount of \$250,000.

AGENCY REPORTS

DEPARTMENT OF JUSTICE,
August 26, 1959.

HON. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice concerning the bill (H.R. 6462) to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution, and for other purposes.

Subdivisions (C) and (D) of section 32(a)(2) of the Trading With the Enemy Act, as amended (50 U.S.C. App. 32(a) (C) and (D)) provide for the administrative returns of property vested under that act to persons who, although having World War II enemy status, belong to groups which were the victims of political, racial, or religious persecution by enemy governments. In cases where such persons have died, returns are made to their legal representatives or successors by inheritance or testament who qualify under section 32. However, in some cases the vested property of such deceased persons is unclaimed because there are no surviving heirs or testamentary successors. Section 32(h), enacted by Public Law 626, 83d Congress, approved August 23, 1954, authorizes the transfer of such "heirless" property, in a total amount not to exceed \$3 million, to American charitable organizations designated by the President as successors in interest to these decedents. The designated organizations are required to devote the property transferred to them to the rehabilitation and settlement, on the basis of need, of persons in the United States who are survivors of persecuted groups.

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The only organization the President has designated under section 32(h) is the Jewish Restitution Successor Organization (JRSO). That organization filed a total of 7,000 claims with the Office of Alien Property. All but 1,800 of such claims have been withdrawn. An examination of the records of the Office of Alien Property and investigations conducted in Europe disclose that approximately 500 of these remaining cases, involving approximately \$500,000, are the maximum in which JRSO has a possibility of obtaining return under section 32(h).

The bill would amend section 32(h) to (1) permit the designation of organizations in addition to JRSO provided such organization applies for designation within 3 months after date of enactment of the bill; (2) dispense with the present requirement that designated organizations be put to proof of specific claims; and (3) direct the payment of the sum of \$500,000 to such organizations for the relief purposes set forth in section 32(h). Acceptance of payment by an organization would constitute a full and complete discharge of any and all claims it has otherwise filed under that section and would be in lieu of the allowance of any such claims. Immediately upon the enactment of the bill, the Attorney General would be required to cover into the Treasury for deposit into the War Claims Fund the sum of \$500,000 from the proceeds of property vested in or transferred to him under the Trading With the Enemy Act.

The bill is similar to H.R. 7830, 85th Congress, on which the Department reported to your committee February 14, 1958. The Subcommittee on Commerce and Finance held hearings on H.R. 7830 on March 13, 1958. Subsequent to the hearings certain technical changes in that bill were recommended by the House Legislative Counsel's staff. These recommendations were embodied in H.R. 12294, 85th Congress. The bill H.R. 6462 is identical with H.R. 12294 except that H.R. 12294 provides for settlement in the amount of \$1 million whereas H.R. 6462 provides for settlement in the amount of \$500,000.

The Bureau of the Budget has indicated that if Congress should feel that any settlement of this matter was proper, the amount of such settlement should not exceed \$250,000. This Department would have no objection to a settlement in that amount.

Sincerely yours,

LAWRENCE E. WALSH,
Deputy Attorney General.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 5, 1959.

HON. OREN HARRIS,
*Chairman, Committee on Interstate and Foreign Commerce,
House Office Building, Washington, D.C.*

MY DEAR MR. CHAIRMAN: This is in reply to your request of April 21, 1959, for comments of this office with respect to H.R. 6462, a bill to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution, and for other purposes.

The major purpose of this bill is to authorize the payment of \$500,000 as a lump-sum settlement of the so-called heirless persecutee claims.

We have previously reviewed similar bills introduced in the 85th Congress. At that time our position was that we would have no objection to a lump-sum settlement of these claims if the Congress decided to approve such a solution, notwithstanding the difficulties of fixing the amount of a reasonable award. In this latter connection, however, we firmly believed that the amount of a reasonable award ought not to exceed \$250,000 in view of the Department of Justice's statement that \$500,000 was the maximum possible amount that could be established with respect to these claims under existing law.

Following receipt of your letter we have carefully reviewed our position of last year and, as a result, continue to believe it is equally applicable with respect to H.R. 6462.

In conclusion, there is one additional point which we should like to add. This relates to the administration proposal, H.R. 2485, for the payment of certain American claims arising out of German actions during World War II. Under that bill these claims would be financed from the proceeds of vested assets, the same source that would be used to finance the lump-sum settlement proposed in H.R. 6462. The diversion of a portion of these proceeds for the proposed lump-sum settlement could, therefore, reduce the amount of such proceeds available for the payment of American claims under H.R. 2485, since neither the aggregate amount of these claims nor the available proceeds is definitely known at this time.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES,
Washington, D.C., May 13, 1959.

HON. OREN HARRIS,
*Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.*

DEAR MR. HARRIS: This refers further to your request of April 21, 1959, for the views of the Foreign Claims Settlement Commission on the bill, H.R. 6462, a bill to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution and for other purposes.

The purpose of H.R. 6462 is clearly stated in the bill's title. It is identical with H.R. 12294, 85th Congress, except for the amount of the lump-sum settlement therein provided, and closely similar to the bill, H.R. 7830, also in the 85th Congress. Both bills provide for a lump-sum payment of \$1 million to any organization designated by the President to be distributed in the United States to needy victims of Nazi persecution. H.R. 6462 proposes a \$500,000 settlement. The Attorney General would be directed to transfer this sum into the Treasury for deposit into the war claims fund, out of balances on hand derived from the liquidation of enemy vested assets.

Under date of August 22, 1957, this Commission, at your request, submitted its views on H.R. 7830, indicating its concern for preserving the proceeds of enemy-vested assets for the satisfaction of presently

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unrecognized American war damage claims arising in Europe. In this connection the Commission said:

"The Commission's only concern with legislation amending the Trading With the Enemy Act, as amended, is the impact of such measures on the war claims fund and particularly the extent to which their enactment would divert the proceeds of liquidated enemy assets from payment of present or future valid American war claims to the financing of distress relief programs, educational benefits or other related programs more closely associated with the general purposes of government."

There is nothing in the present bill, H.R. 6462, to warrant any change in the Commission's position from the one it took on H.R. 7830.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours,

WHITNEY GILLILLAND, *Chairman.*

DEPARTMENT OF STATE,
Washington, May 14, 1959.

HON. OREN HARRIS,
*Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives.*

DEAR MR. HARRIS: Further reference is made to your letter of April 21, 1959, requesting the Department's comments on H.R. 6462, to amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution.

The purpose of this bill is to provide for a lump-sum settlement of the claims to heirless property pursuant to the provisions of section 32(h) of the Trading With the Enemy Act, as amended. Section 32(h), which was enacted by the 83d Congress as Public Law 626, authorizes the return of heirless property which had belonged to victims of Nazi persecution at the time of vesting to successor organizations designated pursuant to the act. Returns pursuant to section 32(h) shall not exceed \$3 million. The amendment contained in H.R. 6462 would provide instead for a lump-sum settlement of claims in the total amount of \$500,000 which would constitute a final settlement of all claims pursuant to this section of the act. This amount would be covered into the War Claims Fund from the proceeds of enemy assets vested by the United States during World War II.

The proposed measure presents various problems of a fiscal and technical nature which do not involve foreign policy considerations and which fall within the purview of other departments of the executive branch. Particularly, the Department does not consider that it could appropriately comment on the monetary limits which would be established in connection with this proposed lump-sum settlement. It might be pointed out, however, that a similar arrangement was made in connection with the disposition of such heirless property in the U.S. Zone of occupied Germany in 1947. Lump-sum settlements were worked out between the Jewish Restitution Successor Organization (JRSO) and the various states in the U.S. Zone of occupation which relieved the JRSO of a tremendous administrative burden and

expedited the availability of the funds for the relief of the victims of Nazi persecution. The Department has found that these arrangements have been advantageous and it is the Department's view that a lump-sum settlement in respect of heirless property returnable pursuant to section 32 of the Trading With the Enemy Act might also be desirable. The Department would therefore have no objections to the enactment of legislation along the lines of H.R. 6462.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary
(For the Acting Secretary of State).

APPENDIX A

(Pertinent Excerpts from the Final Act and Annex of the Paris Conference on Reparations)

* * * * *

ARTICLE 8. ALLOCATION OF A REPARATION SHARE TO NONREPATRIABLE VICTIMS OF GERMAN ACTION

In recognition of the fact that large numbers of persons have suffered heavily at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any government receiving reparation from Germany, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia, and Yugoslavia, in consultation with the Inter-Governmental Committee on Refugees, shall as soon as possible work out in common agreement a plan on the following general lines:

A. A share or reparation consisting of all the nonmonetary gold found by the Allied Armed Forces in Germany and in addition a sum not exceeding 25 million dollars shall be allocated for the rehabilitation and resettlement of nonrepatriable victims of German action.

B. The sum of 25 million dollars shall be met from a part of the proceeds of German assets in neutral countries which are available for reparation.

C. Governments of neutral countries shall be requested to make available for this purpose (in addition to the sum of 25 million dollars) assets in such countries of victims of Nazi action who have since died and left no heirs. [Emphasis supplied.]

D. The persons eligible for aid under the plan in question shall be restricted to true victims of Nazi persecution and to their immediate families and dependents, in the following classes:

1. Refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions:

2. German and Austrian nationals now resident in Germany or Austria in exceptional cases in which it is reasonable on grounds of humanity to assist such persons to emigrate and providing they emigrate to other countries within a reasonable period.

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3. Nationals of countries formerly occupied by the Germans who cannot be repatriated or are not in a position to be repatriated within a reasonable time. In order to concentrate aid on the most needy and deserving refugees and to exclude persons whose loyalty to the United Nations is or was doubtful, aid shall be restricted to nationals or former nationals of previously occupied countries who were victims of Nazi concentration camps or of concentration camps established by regimes under Nazi influence but not including persons who have been confined only in prisoners-of-war camps.

(Pertinent Excerpts from the Five Power Agreement of June 1946) ✕

ANNEX II: AGREEMENT ON A PLAN FOR ALLOCATION OF A REPARATION SHARE TO NONREPATRIABLE VICTIMS OF GERMAN ACTION

In accordance with the provisions of Article 8 of the Final Act of the Paris Conference on Reparation, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia, and Yugoslavia, in consultation with the Intergovernmental Committee on Refugees, have worked out, in common agreement, the following plan to aid in the rehabilitation and resettlement of nonrepatriable victims of German action. In working out this plan the signatory Powers have been guided by the intent of Article 8, and the procedures outlined below are based on its terms:

* * * * *

A. It is the unanimous and considered opinion of the Five Powers that in light of Paragraph H of Article 8 of the Paris Agreement on Reparation, the assets becoming available should be used not for the compensation of individual victims but for the rehabilitation and resettlement of persons in eligible classes, and that expenditures on rehabilitation shall be considered as essential preparatory outlays to resettlement. Since all available statistics indicate beyond any reasonable doubt that the overwhelming majority of eligible persons under the provisions of Article 8 are Jewish, all assets except as specified in Paragraph B below are allocated for the rehabilitation and resettlement of eligible Jewish victims of Nazi action, among whom children should receive preferential assistance. Eligible Jewish victims of Nazi action are either refugees from Germany or Austria who do not desire to return to these countries, or German and Austrian Jews now resident in Germany or Austria who desire to emigrate, or Jews who were nationals or former nationals of previously occupied countries and who were victims of Nazi concentration camps or concentration camps established by regimes under Nazi influence.

* * * * *

E. Furthermore, pursuant to Paragraphs C and E of Article 8, in the interest of justice the French Government on behalf of the Five Governments concluding this Agreement are making representations to the neutral Powers to make available all assets of victims of Nazi action who died without heirs. The Governments of the United States of America, the United Kingdom, Czechoslovakia, and Yugoslavia are associating themselves with the French Government in making such representations to the neutral Powers. The conclusion that ninety-

five percent of the "heirless funds" thus made available should be allocated for the rehabilitation and resettlement of Jewish victims takes cognizance of the fact that these funds are overwhelmingly Jewish in origin, and the five percent made available for non-Jewish victims is based upon a liberal presumption of "heirless funds" non-Jewish in origin. The "heirless funds" to be used for the rehabilitation and resettlement of Jewish victims of Nazi action should be made available to appropriate field organizations. The "heirless funds" to be used for the rehabilitation and resettlement of non-Jewish victims of Nazi action should be made available to the Intergovernmental Committee on Refugees or its successor organization for distribution to appropriate public and private field organizations. In making these joint representations, the signatories are requesting the neutral countries to take all necessary action to facilitate the identification, collection, and distribution of these assets which have arisen out of a unique condition in international law and morality.

If further representations are indicated the Governments of the United States of America, France, and the United Kingdom will pursue the matter on behalf of the Signatory Powers.

(Excerpts from the Peace Treaties Signed with Roumania and Hungary)

"All property, rights, and interests in Roumania of persons, organizations or communities which, individually or as members of groups, were the object of racial, religious or other Fascist measures of persecution, and remaining heirless or unclaimed for six months after the coming into force of the present Treaty, shall be transferred by the Roumanian Government to organizations in Roumania representative of such persons, organizations or communities. The property transferred shall be used by such organizations for purposes of relief and rehabilitation of surviving members of such groups, organizations and communities in Roumania. Such transfer shall be effected within twelve months from the coming into force of the Treaty, and shall include property, rights and interests required to be restored under paragraph 1 of this Article."

(Excerpts from the Proposed Drafts Submitted by the Four Allied Powers Participating in the Austrian Peace Treaty Negotiations)

SECTION II

Article 44. *Property, Rights, and Interests of Minority Groups in Austria.*

* * * * *

(Proposal of the United States)

2. Austria agrees to seek out and obtain control of all property, legal rights, and interests in Austria of persons, organizations, or communities which, individually or as members of groups, were the object of racial, religious, or other persecution by the Axis Powers if, in the case of persons such property, rights and interests remain heirless and unclaimed for six months after the coming into force of the present Treaty, or in the case of organizations and communities, such organ-

izations or communities have ceased substantially to exist. Austria shall transfer such property, rights, and interests to appropriate organizations to be designated by the four Heads of Missions in Vienna in consultation with the Austrian Government to be used for the relief and rehabilitation of victims of persecution by the Axis Powers. Such transfer shall be effected within twelve months from the coming into force of the Treaty, and shall include property, rights, and interests required to be restored under paragraph 2 of this Article (2).

(Proposal of the United Kingdom, France and the U.S.S.R.)

2. All property, rights, and interests in Austria of persons, organizations, or communities which, individually or as members of groups were the object of racial, religious, or other (national socialist) (Fascist) measures of persecution, and remaining heirless or unclaimed for six months from the coming into force of the present Treaty, shall be transferred by the Austrian Government to organizations in Austria representative of such persons, organizations, or communities. The property transferred shall be used by such organizations for the purposes of relief and rehabilitation of surviving members of such groups, organizations, and communities in Austria. Such transfer shall be effected within twelve months from the coming into force of the Treaty and shall include property, rights, and interests required to be restored under paragraph 1 of this Article (1).

(Excerpts from Military Government Law No. 59. *Restitution of Identifiable Property*, U.S. Area of Control, Germany—Enacted November 10, 1947)

PART III: GENERAL PROVISIONS ON RESTITUTION

* * * * *

ARTICLE 10. SUCCESSOR ORGANIZATION AS HEIR TO PERSECUTED PERSONS

A successor organization to be appointed by Military Government, shall, instead of the State, be entitled to the entire estate of any persecuted person in the case provided for in Section 1936 of the Civil Code (Escheat of estate of person dying without heirs). Neither the State nor any of its subdivisions nor a political self-governing body will be appointed as successor organization. The same shall apply to other rights in the nature of escheat based on any other provision of law.

ARTICLE 11. SPECIAL RIGHTS OF SUCCESSOR ORGANIZATIONS

1. If within six months after the effective date of this law no petition for restitution has been filed with respect to confiscated property, a successor organization appointed pursuant to Article 10 may file such a petition on or before 31 December 1948 and apply for all measures necessary to safeguard the property.

2. If the claimant himself has not filed a petition on or before 31 December 1948, the successor organization by virtue of filing the petition shall acquire the legal position of the claimant. Only after that date, and not prior thereto, shall it be entitled to prosecute the claim.

* * * * *

ARTICLE 13. DESIGNATION OF SUCCESSOR ORGANIZATIONS

Regulations to be issued by Military Government will provide for the manner of appointment of successor organizations, their obligations to their persecutee charges, and any further rights or obligations they may have under Military Government or German law.

PART VIII: GENERAL RULES OF PROCEDURE

* * * * *

ARTICLE 51. PRESUMPTION OF DEATH

Any persecuted person, whose last-known residence was in Germany or a country under the jurisdiction of or occupied by Germany or its allies and as to whose whereabouts or continued life after 8 May 1945 no information is available, shall be presumed to have died on 8 May 1945; however, if it appears probable that such a person died on a date other than 8 May, the Restitution Authorities may deem such other date to be the date of death.

APPENDIX B

EXECUTIVE ORDER NO. 10587, OF JANUARY 13, 1955

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

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

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

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

APPENDIX C

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as intro-

duced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTIONS 32, 33, AND 39 OF THE TRADING WITH THE ENEMY
ACT, AS AMENDED

SEC. 32. (a) The President, or such officer or agency as he may designate, may return any property or interest vested in or transferred to the Alien Property Custodian (other than any property or interest acquired by the United States prior to December 18, 1941), or the net proceeds thereof, whenever the President or such officer or agency shall determine—

(1) that the person who has filed a notice of claim for return, in such form as the President or such officer or agency may prescribe, was the owner of such property or interest immediately prior to its vesting in or transfer to the Alien Property Custodian, or is the legal representative (whether or not appointed by a court in the United States), or successor in interest by inheritance, devise, bequest, or operation of law, of such owner; and

(2) that such owner, and legal representative or successor in interest, if any, are not—

(A) the Government of Germany, Japan, Bulgaria, Hungary, or Rumania; or

(B) a corporation or association organized under the laws of such nation: *Provided*, That any property or interest or proceeds which, but for the provisions of this subdivision (B), might be returned under this section to any such corporation or association, may be returned to the owner or owners of all the stock of such corporation or of all the proprietary and beneficial interest in such association, if their ownership of such stock or proprietary and beneficial interest existed immediately prior to vesting in or transfer to the Alien Property Custodian and continuously thereafter to the date of such return (without regard to purported divestments or limitations of such ownership by any government referred to in subdivision (A) hereof) and if such ownership was by one or more citizens of the United States or by one or more corporations organized under the laws of the United States or any State, Territory, or possession thereof, or the District of Columbia: *Provided further*, That such owner or owners shall succeed to those obligations limited in aggregate amount to the value of such property or interest or proceeds, which are lawfully assertible against the corporation or association by persons not ineligible to receive a return under this section; or

(C) an individual voluntarily resident at any time since December 7, 1941, within the territory of such nation, other than a citizen of the United States or a diplomatic or consular officer of Italy or of any nation with which the United States has not at any time since December 7, 1941, been at war: *Provided*, That an individual who, while in the territory of a nation with which the United States has at any time since December 7, 1941, been at war, was deprived of life or sub-

stantially deprived of liberty pursuant to any law, decree, or regulation of such nation discriminating against political, racial, or religious groups, shall not be deemed to have voluntarily resided in such territory; or

(D) an individual who was at any time after December 7, 1941, a citizen or subject of Germany, Japan, Bulgaria, Hungary, or Rumania, and who on or after December 7, 1941, and prior to the date of the enactment of this section, was present (other than in the service of the United States) in the territory of such nation or in any territory occupied by the military or naval forces thereof or engaged in any business in any such territory: *Provided*, That notwithstanding the provisions of this subdivision (D) return may be made to an individual who, as a consequence of any law, decree, or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial, or religious groups, has at no time between December 7, 1941, and the time when such law, decree, or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation: *And provided further*, That, notwithstanding the provisions of subdivision (C) hereof and of this subdivision (D), return may be made to an individual who at all times since December 7, 1941, was a citizen of the United States, or to an individual who, having lost United States citizenship solely by reason of marriage to a citizen or subject of a foreign country, reacquired such citizenship prior to the date of enactment of this proviso if such individual would have been a citizen of the United States at all times since December 7, 1941, but for such marriage: *And provided further*, That the aggregate book value of returns made pursuant to the foregoing proviso shall not exceed \$9,000,000; and any return under such proviso may be made if the book value of any such return, taken together with the aggregate book value of returns already made under such proviso does not exceed \$9,000,000; and for the purposes of this proviso the term "book value" means the value, as of the time of vesting, entered on the books of the Alien Property Custodian for the purpose of accounting for the property or interest involved; or

(E) a foreign corporation or association which at any time after December 7, 1941, was controlled or 50 per centum or more of the stock of which was owned by any person or persons ineligible to receive a return under subdivisions (A), (B), (C), or (D) hereof: *Provided*, That notwithstanding the provisions of this subdivision (E), return may be made to a corporation or association so controlled or owned, if such corporation or association was organized under the laws of a nation any of whose territory was occupied by the military or naval forces of any nation with which the United States has at any time since December 7, 1941, been at war, and if such control or ownership arose after March 1, 1938, as an incident to such occupation and was terminated prior to the enactment of this section;

and

(3) that the property or interest claimed, or the net proceeds of which are claimed, was not at any time after September 1, 1939,

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held or used, by or with the assent of the person who was the owner thereof immediately prior to vesting in or transfer to the Alien Property Custodian, pursuant to any arrangement to conceal any property or interest within the United States of any person ineligible to receive a return under subsection (a) (2) hereof;

(4) that the Alien Property Custodian has no actual or potential liability under the Renegotiation Act or the Act of October 31, 1942 (56 Stat. 1013; 35 U.S.C. 89-96), in respect of the property or interest or proceeds to be returned and that the claimant and his predecessor in interest, if any, have no actual or potential liability of any kind under the Renegotiation Act or the said Act of October 31, 1942; or in the alternative that the claimant has provided security or undertakings adequate to assure satisfaction of all such liabilities or that property or interest or proceeds to be retained by the Alien Property Custodian are adequate therefor; and

(5) that such return is in the interest of the United States.

(b) Notwithstanding the limitation prescribed in the Renegotiation Act upon the time within which petitions may be filed in The Tax Court of the United States, any person to whom any property or interest or proceeds are returned hereunder shall, for a period of ninety days (not counting Sunday or a legal holiday in the District of Columbia as the last day) following return, have the right to file such a petition for a redetermination in respect of any final order of the War Contracts Price Adjustment Board determining excessive profits, made against the Alien Property Custodian, or of any determination, not embodied in an agreement, of excessive profits, so made by or on behalf of a Secretary.

(c) Any person to whom any invention, whether patented or unpatented, or any right or interest therein is returned hereunder shall be bound by any notice or order issued or agreement made pursuant to the Act of October 31, 1942 (56 Stat. 1013; 35 U.S.C. 89-96), in respect of such invention or right or interest, and such person to whom a licensor's interest is returned shall have all rights assertible by a licensor pursuant to section 2 of the said Act.

(d) Except as otherwise provided herein, and except to the extent that the President or such officer or agency as he may designate may otherwise determine, any person to whom return is made hereunder shall have all rights, privileges, and obligations in respect to the property or interest returned or the proceeds of which are returned which would have existed if the property or interest had not vested in the Alien Property Custodian, but no cause of action shall accrue to such person in respect of any deduction or retention of any part of the property or interest or proceeds by the Alien Property Custodian for the purpose of paying taxes, costs, or expenses in connection with such property or interest or proceeds: *Provided*, That except as provided in subsections (b) and (c) hereof, no person to whom a return is made pursuant to this section, nor the successor in interest of such person, shall acquire or have any claim or right of action against the United States or any department, establishment, or agency thereof, or corporation owned thereby, or against any person authorized or licensed by the United States, founded upon the retention, sale, or other disposition, or use, during the period it was vested in the Alien Property Custodian, of the returned property, interest, or proceeds. Any notice to the Alien Property Custodian

in respect of any property or interest or proceeds shall constitute notice to the person to whom such property or interest or proceeds is returned and such person shall succeed to all burdens and obligations in respect of such property or interest or proceeds which accrued during the time of retention by the Alien Property Custodian, but the period during which the property or interest or proceeds returned were vested in the Alien Property Custodian shall not be included for the purpose of determining the application of any statute of limitations to the assertion of any rights by such person in respect of such property or interest or proceeds.

(e) No return hereunder shall bar the prosecution of any suit at law or in equity against a person to whom return has been made, to establish any right, title, or interest, which may exist or which may have existed at the time of vesting, in or to the property or interest returned, but no such suit may be prosecuted by any person ineligible to receive a return under subsection (a)(2) hereof. With respect to any such suit, the period during which the property or interest or proceeds returned were vested in the Alien Property Custodian shall not be included for the purpose of determining the application of any statute of limitations.

(f) At least thirty days before making any return to any person other than a resident of the United States or a corporation organized under the laws of the United States, or any State, Territory, or possession thereof, or the District of Columbia, the President or such officer or agency as he may designate shall publish in the Federal Register a notice of intention to make such return, specifying therein the person to whom return is to be made and the place where the property or interest or proceeds to be returned are located. Publication of a notice of intention to return shall confer no right of action upon any person to compel the return of any such property or interest or proceeds, and such notice of intention to return may be revoked by appropriate notice in the Federal Register. After publication of such notice of intention and prior to revocation thereof, the property or interest or proceeds specified shall be subject to attachment at the suit of any citizen or resident of the United States or any corporation organized under the laws of the United States, or any State, Territory, or possession thereof, or the District of Columbia, in the same manner as property of the person to whom return is to be made: *Provided*, That notice of any writ of attachment which may issue prior to return shall be served upon the Alien Property Custodian. Any such attachment proceeding shall be subject to the provisions of law relating to limitation of actions applicable to actions at law in the jurisdiction in which such proceeding is brought, but the period during which the property or interest or proceeds were vested in the Alien Property Custodian shall not be included for the purpose of determining the period of limitation. No officer of any court shall take actual possession, without the consent of the Alien Property Custodian, of any property or interest or proceeds so attached, and publication of a notice of revocation of intention to return shall invalidate any attachment with respect to the specified property or interest or proceeds, but if there is no such revocation, the President or such officer or agency as he may designate shall accord full effect to any such attachment in returning any such property or interest or proceeds.

(g) Without limitation by or upon any other existing provision of law with respect to the payment of expenses by the Alien Property Custodian, the Custodian may retain or recover from any property or interest or proceeds returned pursuant to this section or section 9 (a) of this Act an amount not exceeding that expended or incurred by him for the conservation, preservation, or maintenance of such property or interest or proceeds, or other property or interest or proceeds returned to the same person.

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

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

[The filing of notice of claim by an organization so designated shall not bar the payment of debt claims under section 34 of this Act.]
In the case of any organization not so designated before the date of enactment of this amendment, such organization may be so designated only if it applies for such designation within three months after such date of enactment.

The President, or such officer as he may designate, shall, before the expiration of the one-year period which begins on the date of enactment of this amendment, pay out of the War Claims Fund to organizations designated before or after the date of enactment of this amendment pursuant to this subsection the sum of \$500,000. If there is more than one such designated organization, such sum shall be allocated among such organizations in the proportions in which the proceeds of heirless property were distributed, pursuant to agreements to which the United States was a party, by the Intergovernmental Committee for Refugees and successor organizations thereto. Acceptance of payment pursuant to this subsection by any such organization shall constitute a full and complete discharge of all claims filed by such organization pursuant to this section, as it existed before the date of enactment of this amendment.

No payment may be made to any organization designated under this section unless it has given firm and responsible assurances approved by the President that (1) the payment will be used on the basis of need in the rehabilitation and settlement of persons in the United States who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and (D) of subsection (a) (2) of this section; (2) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the payment made to it) and permit such examination of its books as the President, or such officer or agency as he may designate, may from time to time require; and (3) it will not use any part of such payment for legal fees, salaries, or other administrative expenses connected with the filing of claims for such payment or for the recovery of any property or interest under this section.

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

SEC. 33. No return may be made pursuant to section 9 or 32 unless notice of claim has been filed: (a) in the case of any property or interest acquired by the United States prior to December 18, 1941, by August 9, 1948; or (b) in the case of any property or interest acquired by the United States on or after December 18, 1941, not later than one year from the enactment of this amendment, or two years from the vesting of the property or interest in respect of which the claim is made, whichever is later [; except that return may be made to a successor organization designated pursuant to section 32(h) hereof if notice of claim is filed before the expiration of one year from the effective date of this Act]. No suit pursuant to section 9 may be instituted after April 30, 1949, or after the expiration of two years from the date of the seizure by or vesting in the Alien Property Custodian, as the case may be, of the property or interest in respect of which relief is sought, whichever is later, but in computing such two years there shall be excluded any period during which there was pending a suit or claim for return pursuant to section 9 or 32(a) hereof.

* * * * *
 SEC. 39. (a) No property or interest therein of Germany, Japan, or any national of either such country vested in or transferred to any officer or agency of the Government at any time after December 17, 1941, pursuant to the provisions of this Act, shall be returned to former

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owners thereof or their successors in interest, and the United States shall not pay compensation for any such property or interest therein. The net proceeds remaining upon the completion of administration, liquidation, and disposition pursuant to the provisions of this Act of any such property or interest therein shall be covered into the Treasury at the earliest practicable date. Nothing in this section shall be construed to repeal or otherwise affect the operation of the provisions of section 32 of this Act or of the Philippine Property Act of 1946.

(b) The Attorney General is authorized and directed, immediately upon the enactment of this subsection, to cover into the Treasury of the United States, for deposit into the War Claims Fund, from property vested in or transferred to him under this Act, such sums, not to exceed \$75,000,000 in the aggregate, as may be necessary to satisfy unpaid awards heretofore or hereafter made under the War Claims Act of 1948. There is hereby authorized to be appropriated to the Attorney General such sums as may be necessary to replace the sums deposited by him pursuant to the foregoing sentence. *Immediately upon the enactment of this sentence, the Attorney General shall cover into the Treasury of the United States, for deposit into the War Claims Fund, from property vested in or transferred to him under this Act, the sum of \$500,000 to make payments authorized under section 32(h) of this Act.*

(c) The Attorney General is authorized and directed, immediately upon the enactment of this subsection, to cover into the Treasury of the United States, for deposit into the War Claims Fund, from property vested in or transferred to him under this Act, such sums, not to exceed \$3,750,000 in the aggregate, as may be necessary to satisfy unpaid awards heretofore or hereafter made under the War Claims Act of 1948, as amended. There is hereby authorized to be appropriated to the Attorney General such sums as may be necessary to replace the sums deposited by him pursuant to this subsection.

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THE PORT OF NEW YORK AUTHORITY

111 Eighth Avenue - at 15th Street - New York 11 NY

DEPARTMENT OF PORT DEVELOPMENT

ALBANY 5-1000

Walter P. Hedden
DIRECTOR

PLANNING BUREAU

Frank W. Herring
CHIEF

May 5, 1950

Dr. Eugene Hevesi
American Jewish Committee
386 Fourth Avenue
New York 16, N. Y.

Dear Eugene:

Enclosed is a revision of the memorandum on alien Jewish property held by the Office of Alien Property Custodian. I have taken the liberty of revising the original draft rather considerably and hope that the result is satisfactory.

The statistical revisions, included in the attached, have been checked and double-checked. I am frankly at a loss to understand how the authors of the original draft completely ignored the results of the analysis of the sample of the 412 cases covering properties which are parts of larger estates. However, be this as it may, the final tabulation comes within the limits you indicated are desirable.

Sincerely,

David L. Glickman

DLG/es
Attached

Colin - can you identify this man - DAVID GLICKMAN

Why was he writign to AJC on Port of NY letterhead

GET gene's PERMISSION to call AJC if you cannot readily find him in Who's/Who was Who and Master Biog Index.)

Also see 1950s hearings ^{part} - Wait for me REFERENCE

332756

March 6th, 1950

MEMORANDUM

SUBJECT: Survey of OAP Vesting Orders to Obtain Estimate of Heirless Jewish Accounts

In connection with the pending amendment to Section 32 of the Trading with Enemy Act designed to turn over heirless Jewish vested accounts for charitable purposes, various estimates have been made regarding the total value of such heirless accounts. Most often, the value has been estimated as between \$500,000 and \$2,000,000. Although no factual or statistical evidence was available at the time the latter estimates were made, it was the usual opinion that only the smaller accounts would remain heirless and unclaimed. Generally, and this fact is known to all Jewish charitable and refugee organizations working in the field, the wealthier members of the German Jewish community succeeded in escaping from Germany in a far higher ratio than the poorer members. Even if the owner of the account in this country was not himself able to escape, one or more heirs of the wealthy family were almost always able to make their way out. In the case of the typical small Jewish shopkeeper in Germany, however, who may have set up a small account in the U.S., escape was often so difficult and expensive, with the result that he and his entire family were wiped out in much higher ratio than among the more affluent groups. Based on this history of the Jewish experience in Germany, it has been suggested that there would not be many large accounts which could qualify as heirless and unclaimed.

In an effort to obtain a basis for estimate which would be more grounded in actual statistical fact, it was decided several weeks ago to have a group of fairly recent German-Jewish emigres in this country survey the some 14,400 vesting orders which have thus far been issued by the OAP. Specifically, the members of the survey team were instructed to examine the names of the former owners of all of the vested accounts with a view to picking out those names which appeared to be Jewish. By calculating the values of these "Jewish" accounts, it would then be possible to form an estimate of the total Jewish accounts.

The individual members of the survey team were carefully selected on the basis of their activity and familiarity with Jewish life in pre-war Germany. Recognizing the difficulties of ascertaining religious or cultural identification from alone, it was felt that intelligent scrutinizing efforts on the part of such a team would nevertheless produce a more valuable groundwork for estimate than has hitherto existed.

Survey Results

Of the total number of the 14,400 vesting orders surveyed, it was found that approximately 1,200 vesting orders appeared to bear names which were clearly Jewish. Although it may be that a few names were included which were not in fact Jewish, there seems to be every reason for assuming that this list of 1,200 is essentially correct.

332757

The 1200 names were further broken down as follows:

- a) Names which were discarded because the vesting order revealed the name to be that of a trustee or agent rather than the owner. (Where the name of the owner appeared in the body of the vesting order, a new card was prepared for that name and included in the categories below) 150
 - b) Patent cases -- These names have also been discarded for the reasons (1) that the OAP experience with patent accounts generally, according to our information, has shown the accounts to be of relatively little value, and (2) that the patents would in many cases have belonged to wealthier groups of the population who, for the reasons stated above, would be likely to have claimed them already 375
 - c) Cases where return orders have already been issued 97
 - d) Cases which do not fall in the above categories and which appear to contain assets of value, with the exception of those where the account is part of an estate 198
 - e) Cases where the vesting order indicates that the account is part of an estate 412
- 1,232

Qualitative Break-Down of Assets

Based on the above, categories a), b) and c) have not been dealt with further and instead attention has been concentrated on categories d) and e), for which a qualitative examination and breakdown has been made. In the case of category d) it was discovered that of the 198 vesting orders 73 represented cases in which title claims have been filed, thus giving basis for assuming that the owners or their heirs are alive and that the accounts are not heirless. With reference to the remaining 125, it was found that the total value came to \$336,380. In round figures, this shows an average value of \$2,700 for each vesting order in the category.

The above figure of \$336,380.00 must be further qualified by the fact that all title claims have not yet been sent from the Washington office of the OAP to the New York regional office (where the instant survey was conducted). Since the information furnished is that approximately 3/5 of all claims have been sent to the New York office from Washington, it has been assumed that the above number of 73 represents only a 3/5 figure and that 50 more title claims, or the remaining 2/5's, may therefore be anticipated as deductible from the above figure of 125 vesting orders. Calculating these at a \$2,700 average, it is necessary to deduct another \$135,000 from the \$336,380, thus leaving a total for this category of . . \$201,380.

Because of the factor of time, and because of their more complicated character, it was not possible to make the same qualitative examination of the various accounts in category (e), that is, the estates. Instead, a sample of 42 estate vesting orders was selected, of which 12 were found to contain title claims on file. Of the remainder, the average value of each vesting order was found to be approximately \$3,000.

Taking the total number of ⁴¹² 370 vesting orders for estates, it is fair to assume that approximately 60% of the cases will have title claims. (The percentage of cases under category d) above in which title claims were filed was 62%.) When the remaining 40%, or ~~148~~ ¹⁴⁸ vesting orders, is multiplied by the average value of \$3,000, a total is obtained of

495,000
\$444,000
696,380
\$645,780

The combined total of the categories d) and e) is thus found to be

In addition to the above values, it is necessary to recognize that there may be as many as another 200-300 "eligible" names contained in the vesting orders which are not "Jewish sounding" but which would nevertheless eventually be found, upon investigation, to be heirless and Jewish. Taking 200 as the figure for this purpose and multiplying it by an average value of \$3,000 per account, an additional amount of \$600,000 is obtained. It is recognized further that there may be some patent orders which are found to qualify and that the estate values, as estimated above, may be somewhat conservative. For all of these reasons, it is suggested that the actual total figure may approximate a value of \$1,500,000.

CONCLUSION: The value of these accounts in the hands of the OAP which will be found to be Jewish and heirless, are estimated to be . . . \$ 1,500,000.00

013/NO 19

332760

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

October 5, 1955

MEMORANDUM

To: JRSO Executive Committee
From: Saul Kagan
RE: JRSO Claims under Public Law 626

I am enclosing herewith a report on the background and present status of the claims filed by the JRSO under P.L. 626. This report was prepared by Mr. Seymour J. Rubin, who acts as Washington counsel of the JRSO.

Saul Kagan

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Report to Executive Committee of Jewish Restitution Successor OrganizationRe: Heirless Assets in the United States

Public Law 626 was passed in the closing days of the Second Session of the 83rd Congress. It culminated years of effort on the part of various Jewish organizations -- effort directed at enactment of legislation which would put heirless assets in the United States at the disposal of the Jewish Restitution Successor Organization, for the benefit of surviving persecutees. Although the law was enacted in July 1954, and signed by the President in August, the passage of the legislation itself was merely the first step in what is clearly to be the difficult program of obtaining these assets or their proceeds, and making them available for the intended relief purposes.

The bill -- now Section 32 (h) of the Trading With the Enemy Act, as amended -- provides for designation by the President of a successor organization, or organizations, to heirless or unclaimed property in the United States. This property is defined by reference to the persecutee-return provisions of the Trading With the Enemy Act -- that is, it is property which would be returned to a living persecutee or his heirs, were he alive or had he heirs to claim it. The designated successor organization has a number of obligations in regard to administration and use of the property or funds which it may receive -- accounting regularly, the obligation to return to persecutees who turn up within two years, etc. The 1954 series of amendments restrict use of the property to use for persecutees (a) in the United States and (b) who are needy, and they prohibit use of any of these funds for administrative expenses. The bill provides for a limitation of \$3 million to the amount which can be made available to a successor organization.

Immediately after enactment of the legislation, steps were taken directed at the Presidential designation of the JRSO as the successor organization under the bill. ~~Theoretically, Public Law 626 allowed the possibility of designation of more than one successor organization. As a practical matter, however, there was never any interest in this matter of successorship to heirless assets on the part of organizations other than Jewish organizations.~~ An application for designation as the appropriate successor organization to Jewish heirless assets (these being apparently all the heirless assets) was prepared, together with a variety of supporting documents ranging from the certificate of incorporation of the JRSO to a memorandum on the history and responsibilities of that organization. These documents were filed almost immediately upon enactment of the legislation and, in fact, were discussed with governmental officials before the legislation was actually signed by the President. Nevertheless, for a variety of reasons, designation of the JRSO was delayed until January 1955. At that time, an Executive Order was issued by the President designating the JRSO as an appropriate successor organization, and no other designations have been or are likely to be made.

(over)

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-3-

A variety of other problems arose during the period between January 1955, when the JRSO was designated by the President, and August 1955, the expiration of the one-year filing period contained in the statute. A considerable amount of consultation with the OAP on detailed matters of record was obviously necessary. The work in Washington rose to such a volume that it became apparent that a full-time representative of the JRSO there was required, and Mr. Werner M. Loewenthal, who had just completed an assignment as Restitution Officer with the Office of the United States High Commissioner in Germany, was appointed to this position on June 20, 1955. He has worked in close coordination with the undersigned, who has acted during the period as Washington counsel for the JRSO. Mr. Loewenthal has had a staff of from two to three clerk-typists working with him.

The volume of work in the Washington office is apparent from the fact that between July 1 and August 23, the filing deadline under Public Law 626, the Washington office filed 3,094 out of a total of over 8,000 JRSO claims which had been filed.

A great many of the claims filed by the Washington office arose in cases involving estates and trusts. In many of these situations, the check of the OAP lists had produced claims filed by the JRSO in the name of one or another of the persons named in the vesting order, but not in the name of the person who was the actual beneficiary of the estate or trust. It was necessary to file in the name of the latter person, and claims in this category formed a major portion of the claims filed directly by the Washington JRSO office.

During this period also, one of the many problems concerned the so-called "omnibus accounts" in the OAP. These are accounts in the United States, held in the names of Swiss, Dutch or French banks, where the names of the actual depositors in the accounts are not known. It is possible that a major part of these accounts represents the funds of persons who were enemy nationals. On the other hand, there exists a substantial possibility that some portion of these accounts may be the funds of persecutees who were seeking to avoid the foreign exchange restrictions of Germany. A letter describing this situation, and suggesting that JRSO be considered informally to have claimed such portion of these accounts as might be found later to belong to persecutees, was sent to the OAP, but the request was rejected.

Thereupon, some 325 vesting orders in this category were located by the Washington JRSO office and claims filed describing these orders in terms which make it possible to identify the property in some detail.

~~Another problem arose out of negotiations between the United States and the Netherlands with respect to return of so-called scheduled securities. These were securities held in the United States which presumptively had been~~

(over)

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-4-

~~looted. By agreement between the governments, these securities were to be returned to the Netherlands Government for distribution to the true original owners or their heirs. It is clear, however, that some portion of this property is heirless, and, in cooperation with the Department of State, the JRSO has filed a claim with respect to that portion of these securities identified by the Netherlands Government as heirless. This claim is in a sense protective, since it is possible that these securities will eventually go to the Jewish community of the Netherlands rather than to the JRSO.~~

Individual cases are on occasion of some particular interest. Such a one is that which involves a highly complicated proceeding in the OAP generally known as the von Clemm case. It has been suggested that a portion of the property involved in this case, several packets of diamonds, amounting to sums estimated to be more than \$200,000, may in fact be heirless Jewish property. These diamonds were brought into the United States in asserted violation of customs regulations and, aside from the problems involved in proving the heirless character of the property in a situation in which few or no facts are available to the JRSO, there is also the problem of the claim of the Customs Bureau that if the diamonds are not German property to be vested by the OAP, they are diamonds which were entered into the United States illegally and should therefore be forfeited to the Customs Bureau. Despite a considerable amount of work which has already been done on this case, much more detailed work remains to be done if a serious effort is to be made to obtain this property.

By August 23, 1955, something in excess of 8,000 claims of varying degrees of validity had been filed with the OAP.

Although considerable work on the problems to be described in this section has already been done, it seems appropriate to deal with these problems in this rather than the previous section of the report.

The JRSO problems, once the mass of claims has been filed, resolve themselves into two major categories. These concern the procedure for "cleaning up" the relatively undigested mass of claims which has been filed and putting these in some kind of workable shape; and secondly, working out a procedure for the processing of the claims and the recovery, as speedily as possible, of the proceeds of heirless property.

With respect to the first problem, that is cleaning up the claims, a considerable amount of work obviously has to be done and, in fact, is currently being done. Because of the method by which the claims were filed, the JRSO has on file a great many of what are obviously worthless claims which merely clutter up the records. The reason for this is inherent in the method which the JRSO was compelled to adopt in filing the claims and the materials made available to it for that purpose. As has been pointed out, for example, the list of names furnished by the OAP, which was the fundamental working document for the JRSO, contained names of custodians of property and of persons having some relation to that property,

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-7-

Assuming that the principle of a bulk settlement will be accepted and that it can be enacted at the next session of the Congress, in one form or another, the main question will be that of the amount of such a settlement. It is too early to tell what amount will be involved. Our efforts are presently directed towards establishing a sufficient body of data for estimates in support of a minimal bulk settlement figure, which we would like to introduce in the course of the efforts to obtain legislation authorizing a bulk settlement.

The further program therefore includes continued work on the processing of the claims, as above described, and continued work with respect to the legislative proposals and their acceptance both by the Administration and by the Congress. The problems dealt with up to now have been of great complexity and have taken an enormous amount of time. It is very likely that they will take even more time in the future, particularly if such matters as the von Clemm case should come to a head and if the proposals with respect to a bulk settlement should arrive at a point where intensive work will have to be done on both the estimates and the legislative aspects of the matter.

Seymour J. Rabin

September 1955

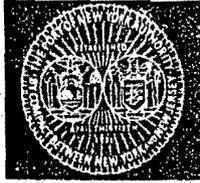
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Also in Israel

JRSO - NY
Files relating to PL626 and heirless property in the US

950	PL 626 - Amendments	July-Sept. 55
949	Designation of JRSO under Public Law 626 - Memorandum for Executive Committee	Jan. 17, 1955
940	German assets in the USA	Feb. - Apr. 1958
939	Heirless property in the United States	Aug. 54 - Jan. 60
938	Heirless Property - Miscellaneous	March 50-Aug 66
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914	Heirless Asset Bill - Memo to Executive Comm.	July 31, 1958
901	Designation of JRSO as Successor Organization under PL626 - Memorandum	Jan. 17, '55
900	Application of JRSO for designation as above	Sept. 30, 1954
899	JRSO Report by Seymour J. Rubin	Oct. '55
841	Heirless Property Bill - JRSO a/c	1955-1963

896a-c legal matters pertaining to restitution (out)



THE PORT OF NEW YORK AUTHORITY

111 Eighth Avenue - at 15th Street New York 11 NY

DEPARTMENT OF PORT DEVELOPMENT

Walter P. Hodden
DIRECTOR

ALGONQUIN 5-1000

PLANNING BUREAU

Frank W. Herring
CHIEF

May 5, 1950

Dr. Eugene Hevesi
American Jewish Committee
386 Fourth Avenue
New York 16, N. Y.

Dear Eugene:

Enclosed is a revision of the memorandum on alien Jewish property held by the Office of Alien Property Custodian. I have taken the liberty of revising the original draft rather considerably and hope that the result is satisfactory.

The statistical revisions, included in the attached, have been checked and double-checked. I am frankly at a loss to understand how the authors of the original draft completely ignored the results of the analysis of the sample of the 412 cases covering properties which are parts of larger estates. However, be this as it may, the final tabulation comes within the limits you indicated are desirable.

Sincerely,

David L. Glickman

DLG/es
Attached

Colin - can you identify this man - DAVID GLICKMAN

Why was he writign to AJC on Port of NY letterhead

GET gene's PERMISSION to call AJC if you cannot readily find him in Who's/Who was Who and Master Biog Index.)

332767

also SEE 1948 ^{NY48} hearings first - wait for my REFERENCE

MEMORANDUM

Subject: Survey of Office of Alien Property Custodian Vesting Orders to Obtain Estimates of Heirless Jewish Accounts.

Background

A Subcommittee of the House Committee on Interstate and Foreign Commerce has before it a proposed amendment to Section 32 of the Trading with the Enemy Act. This amendment provides that the proceeds of heirless accounts currently vested in the Office of Alien Property Custodian be used *and formerly owned by individuals persecuted under the Nazis* for relief and rehabilitation of victims of Nazi persecution, and for other charitable purposes related thereto. The amendment also provides that successor organizations be established to administer these proceeds. This memorandum presents an analysis and estimate of the Jewish portion of the heirless property held by the Office of Alien Property Custodian.

Several months ago, a group of fairly recent German-Jewish emigres was designated to examine approximately 14,400 vesting orders issued by the Office of Alien Property Custodian. The objective of this examination was to segregate those vesting orders which, on the basis of the group's familiarity with Jews and Jewish life in pre-war Germany, cover ~~heirless~~ *heirless* Jewish property. The members of the examining group were carefully selected; they represent a cross-section of Jewish persons with extensive experience and knowledge of Jewish affairs in Hitler's Germany. The 14,400 vesting orders examined were not a sample; they comprised all of the vesting orders issued by the Office of Alien Property Custodian. These orders covered Jewish as well as non-

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Jewish property, and also property for which individual claims by remaining heirs have been submitted as well as property which ~~is today~~ ^{may today be presumed} heirless.

Results of Survey

The examining group indicated that approximately 1,200 of the 14,400 vesting orders covered property which, in its opinion, was clearly Jewish in ownership. In addition, it believed that an additional ~~200-300~~ ^{1,000-1500} vesting orders probably also covered Jewish property but was not specifically being designated as such, pending detailed investigation.

Detailed and critical examination of the 1,200 orders which were clearly Jewish in origin revealed the following:

(a) 97 orders represented cases where orders to return the properties involved to ~~the owners or their~~ ^{legitimately established heirs} had already been issued;

(b) 150 orders covered properties listed in the names of trustees and agents rather than original owners or legitimately established heirs (where the ^{name of the owner was} ~~name~~ ^{available to the} ~~account's~~ ^{included} ~~one of the~~ ^{categories} ~~below~~);

(c) 375 orders ^{covered} ~~covered claims~~ to patent rights and royalties;

(d) 412 orders covered properties which are ~~actually~~ parts of larger estates;

(e) 198 orders covered cases which do not fall into any of the above categories ^{special and} ~~but~~ which contain assets of value, ^{with the exception of those where the account is part of an estate;} The vesting orders falling within category (e) do not comprise

property which is heirless; they were, therefore, automatically excluded

from further consideration. The 150 category (b) orders (agent and trustee cases) ^{were also excluded since only the status or character of the true} ~~will undoubtedly include some which will prove to be heirless. Their beneficiaries are regarded as pertinent to the determination of exact number and value, however, cannot now be determined. This will depend~~

~~could be held pertinent to the determination of~~
~~by this survey purposes of the survey.~~

~~on whether the claims of agents and trustees will be validated and honored.~~

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The 375 category (c) orders, (patent cases) require further study before their value can be determined. *specific, individual breakdown* No estimate of their potential value is, therefore, *of the accounts could therefore be made.* ~~included in this analysis.~~

The 412 category (d) orders (parts of estates cases) consist of cases which are extremely complicated in character. To have examined each case in detail would have required far more time than was available. In order, therefore, to arrive at a reasonable approximation of their value, a 10 percent sample, 42 cases, was subjected to intensive analysis. This analysis revealed that 12 of the 42 cases, 28.6 percent, involved properties for which claims by remaining heirs have been submitted to the Office of Alien Property Custodian, *with the result that the properties could not be regarded as heirless*. The remaining 30 cases, 71.4 percent of the sample, were found to have an average value of approximately \$3,000, ~~with a high of _____ and a low of _____~~. Assuming that the sample of 42 cases is representative of all of the 412 orders in this category, 71.4 percent or 294 orders consist of heirless property. At an average value of \$3,000 per order, the total value of the heirless property in this category is \$880,000.

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All of the vesting orders in category (d), the non-classified group, were examined in detail. It was found that 73 involved properties for which individual title claims by heirs have been filed. It is assumed here that all of these individual claims will prove to be valid and that the properties involved are not, therefore, heirless. The remaining 125 orders were found to have a total value of \$336,380, an average of approximately \$2,700 for each order. However, the Office of Alien Property Custodian has indicated that some additional individual claims for properties in this category of orders

must be taken into account in any tabulation of values. It has submitted information to the effect that the 73 ^{title} individual claims already examined actually represent only about 60 percent of the total volume of such claims. Accordingly, it is assumed that an additional 50 ^{title} individual claims will be found to be valid, and that their value should be deducted from the \$336,380 total. At an average of \$2,700 per order, the total value of this deductible portion is \$135,000, leaving a net value of category (d) orders of \$201,380.

Invent X -

Summary

1. The data presented above indicates that it is reasonable to assume that the value of specifically identifiable heirless Jewish property is ~~\$1,081,000~~ ^{495,000} consisting of the following: ~~\$882,000~~ for orders covering properties which are parts of ~~larger~~ estates, and \$201,000 for orders covering properties which are not readily classifiable as to type of assets.

g

2. It is believed that a substantial portion of the ~~200-300~~ ^{1,000-1,500} orders which were not specifically identified as Jewish in origin by the examining group pending detailed investigation will, in fact, prove to be Jewish. Assuming that only ~~200~~ ³⁰⁰ of these will ultimately be found to be of Jewish origin, and assigning a value of only \$2,700 to each order, yields an additional \$810,000. ^{an additional amount of \$1,080,000 is yielded.} The \$2,700 average value, it should be noted, is the lower of the two averages found in detailed examination of the estate and non-classified groups.

That title claims will be found in the same percentage as above, a legation assuming a value of only \$2,700 to each order, yields an additional \$810,000. an additional amount of \$1,080,000 is yielded.

3. Although the 375 patent case orders were not examined in detail, on the basis of past experience it is believed to be entirely reasonable that they will be found to have a minimum value of ~~\$300,000 to \$400,000~~ ^{\$200,000}. This would be based on *our estimate that 40% or 150 cases are free of title claims and therefore* be equivalent to an average value of ~~\$800 to about \$1,000 per order~~ ^{\$1,333 per order, consider}

title cases eligible and would

assuming fully by 'elder' and

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"eligible" heirless accounts pursuant to the criteria and experience also used and obtained in the course

and assigning a value of only \$2,700 to each order an additional amount of \$1,080,000 is yielded

ably below the averages of \$3,000 for orders covering properties which are parts of estates, and \$2,700 for orders covering properties which are non-classifiable as to assets.

4. On this basis, the total value of heirless Jewish property held under vesting orders of the Office of Alien Property Custodian is ~~\$1,921,000 to \$2,021,000~~, as follows:

Value of Heirless Jewish Property Held Under Vesting Orders of Office of Alien Property Custodian

Orders covering properties for which individual claims have been submitted. _____

Orders covering properties listed in names of agents and trustees _____

Orders covering patent rights and royalties

~~\$300,000-400,000~~

Orders covering properties which are parts of larger estates.

~~495,000~~
~~880,000~~

Orders covering properties not immediately classifiable as to type of assets.

~~201,000~~

Orders covering properties not immediately classifiable as of Jewish origin.

~~70,000~~
~~540,000~~

\$1,921,000-2,021,000

Change

013/NO 19

הזמנת צילומים
COPY ORDER FORM

DATE 12/2/99 תאריך
 NAME GENE Sofer שם
 ADDRESS 4615 29TH PL. NW
WASHINGTON DC 20008 כתובת
 TELEPHONE (202) 686-1040 טלפון

PHOTOGRAPH / תמונה	MICROFILM / מיקרופילם	ORIGINAL MATERIAL / חומר מקורי	RECORD NUMBER / סימול התיק
מבריק/נחמס GLOSSY	הגדלה העתק COPY: ENLARGEMENT	מיקרופילם MICROFILM:	קטרוקס XEROX
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		<input checked="" type="checkbox"/>	939 נח 36
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		<input checked="" type="checkbox"/>	916a נח 19
		<input checked="" type="checkbox"/>	916b נח 20
		<input checked="" type="checkbox"/>	916c נח 7
		<input checked="" type="checkbox"/>	916d נח 5
			נח 149

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בוצע
 נמסר
 שולם

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JRSO - NY
Files relating to PL626 and heirless property in the US

950	PL 626 - Amendments	July-Sept. 55
949	Designation of JRSO under Public Law 626 - Memorandum for Executive Committee	Jan. 17, 1955
940	German assets in the USA	Feb. - Apr. 1958
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541	Heirless Property Bill - JRSO a/c	1955-1963

8963-c legal matters pertaining to Restitution (out)

332775

RETURN OF CONFISCATED PROPERTY

HEARINGS

BEFORE A

**SUBCOMMITTEE OF THE
COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE**

EIGHTY-FOURTH CONGRESS

FIRST AND SECOND SESSIONS

ON

S. 854, S. 995, S. 1405, S. 2227, S. 3507

TO AMEND THE TRADING WITH THE ENEMY ACT

AND

S. 3114 and S. 3115

**TO TRANSFER THE OFFICE OF ALIEN PROPERTY CUSTODIAN
FROM THE DEPARTMENT OF JUSTICE TO THE DEPARTMENT
OF STATE, AND FOR OTHER PURPOSES**

NOVEMBER 29, 30, 1955, AND APRIL 20, 1956

Printed for the use of the Committee on the Judiciary



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1956

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JR SO

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I feel most strongly that any legislation proposed by the committee should contain safeguards which would absolutely insure that the corporation cannot—under any future circumstances—be again subject to foreign management or domination. As the Alien Property Custodian has pointed out, this need not necessarily preclude the ownership of American securities by aliens.

In addition to compelling reasons of national security which speak against a return of the company to foreign domination, such a return would affect most unfairly and adversely the well-being and security of several tens of thousands of American citizens made up by the corporation's employees and their families. The onerous policies and treatment which the present employees can expect in the event of a transfer of ownership to foreign interests have been recounted in the earlier proceedings before this committee.

It should be noted that especially at the technical and management level, employees have joined the corporation under the positive assurance that as a Government policy the corporation would never be permitted to revert to foreign ownership. It is further true that especially at the technical and management level, few persons would have joined the corporation (in its present status) without such assurances and it is equally true that few are likely to remain if the promises made to them by their Government are broken.

In the course of 14 years, the corporation has been Americanized both in its personnel and in its policies. Under trying circumstances, the corporation has been sustained by the dedicated efforts of American people engaged in research, production, and sales. In effect, a practical statute of limitations has been erected which bars a return of the company.

It has been argued that on the basis of promoting international good will and upholding American historic tradition and morality, the corporation or its money equivalent should be returned to its former owners regardless of whether or not they were former enemies. Insofar as the matter of international good will is concerned, over \$3 billion have been expended by this country in aiding the West Germans. This sum is many times larger than the aggregate value of all the foreign assets held by our Government; the relative sums would appear to vindicate both our good will and our morals. It would certainly seem to be true that if the friendship of the West Germans has not been securely purchased by the sum of \$3 billion it is unlikely to be further affected one way or the other by the relatively small sum involved in the foreign assets account.

With regard to any injustice which may conceivably have been done to the Swiss, it should be pointed out that since their laws permit and indeed foster shady dealing that in litigating in this country, they must expect to be caught occasionally in their own net. I feel they merit little sympathy or consideration.

With regard to the issues which have been raised involving morality and the "traditional" American policy of returning vested assets, it seems worth noting that a continuing adherence to any traditional historic policy is necessarily of merit only if the policy as originally conceived was a wise one, and then only if the context of circumstances surrounding its present application is congruent with the circumstances under which the policy was originally developed. Certainly a blind adherence to a past policy which for various reasons has become a bad or unworkable policy cannot be justified by an appeal to tradition. These considerations underlie the procedure followed by our Government during the past two World Wars in the matter of war claims. After the First World War, seized properties were returned to Germany with the proviso that in exchange of these seized properties, reparations were to be paid. These reparations were defaulted. With this in mind, German properties after the Second World War were held in lieu of any reparations. In the Bonn Convention, it was agreed that German private citizens were to be compensated by their own government. There is no question here of the (amoral) uncompensated seizure (confiscation) of alien private property. The war claims burden was not placed solely on those aliens unlucky enough to be possessed of assets in the United States but, by virtue of the compensation proviso of the Bonn agreement, was to have been distributed as a just burden on all the citizens of the aggressor nation. If immorality exists, it appears to reside with the Germans for their failure to compensate their citizens whose property was condemned in accordance with the Bonn agreement.

It is the professed purpose of the committee to suggest legislation which will be to the best interests of the United States as a whole without regard to any particular group or segment of our people. It is my strong conviction that adherence to the principles of the Bonn agreement will be to the best interests of

the people of the United States as a whole as well as to that sizable particular group or segment of our people made up by the employees of my corporation. I must observe in this connection that the type of proposal embodied in S. 3423, if enacted, will rebound not even to the benefit of the German people as a whole but will benefit, primarily, speculators together with a handful of German industrialists.

CLIFFORD E. HERRICK, Jr.

Mr. HERRICK. Sir, may I just say one more thing. It seems to me that if, as you suggest, control of any major American company were to revert to foreign ownership such as General Motors, the Du Pont Co., Eastman Kodak Co., or any of the large companies you can name, it seems to me it would be a matter of very serious concern to the Defense Department, for instance, if they could dominate and select its management and board of directors.

Mr. INGOLDSBY. It might very well be a matter of serious concern. I was only inquiring as to whether there is anything that as of today stops anyone from buying into any company that they want?

Mr. HERRICK. I don't know.

Senator LANGER. You are acquainted, sir, are you not, with the fact that the Shell Oil Co. is owned 51 percent by London and Amsterdam, the second largest oil company in this country under foreign ownership?

Mr. HERRICK. Yes, sir. There are others and I think that is a matter for some concern.

Mr. INGOLDSBY. Lever Bros. is also foreign owned.

Senator JOHNSTON. Mr. Abraham S. Hyman.

STATEMENT OF ABRAHAM S. HYMAN, EXECUTIVE SECRETARY OF THE WORLD JEWISH CONGRESS, NEW YORK, N. Y.

Mr. HYMAN. My name is Abraham S. Hyman. I am the executive secretary of the World Jewish Congress and reside at 600 West End Avenue, New York City. From November 1950 to May 1953, I served as the General Counsel of the United States War Claims Commission, the agency which has been merged into the Foreign Claims Settlement Commission.

In my capacity as General Counsel of the War Claims Commission, I directed the study of war losses suffered by Americans during World War II. Understandably this study was directed under the supervision of the War Claims Commission, but I had the responsibility for directing that study.

This study is reflected in the Supplementary Report on War Claims submitted to the Congress on January 16, 1953. The report is House Document No. 67, 83d Congress, 1st session.

I believe it is fair to state, Mr. Chairman, that title 2 of S. 2227 is based principally upon this report.

I am appearing on behalf of the American Jewish Congress to testify on S. 2227. The American Jewish Congress is a nationwide organization of American Jews formed in 1918 by such American Jewish leaders as Supreme Court Justice Brandeis, Judge Mack, and the late Stephen S. Wise.

Since its inception, it has consistently dedicated itself to the preservation and extension of the democratic way of life, and to the assurance of the fundamental freedoms of man by the elimination of all

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forms of political, social, or economic discrimination because of race, religion, or ancestry.

My remarks will be addressed both to titles 1 and 2 of this bill. One brief observation on title I of S. 2227, the title providing for the return to former individual owners of assets vested under the Trading With the Enemy Act, up to a maximum sum of \$10,000. The bill provides (p. 8, line 3) that 3 categories of persons shall be disqualified for such return. One of the categories consists of persons convicted of war crimes (p. 8, line 4). The bill defines "convicted of war crimes" as—

the entry of judgment against any person who has been convicted personally and by name by such courts as may be designated by the Secretary, of murder or ill treatment or deportation for slave labor of prisoners of war, political opponents, hostages, or civilian population in occupied territories, or of murder or ill treatment of military or naval persons, or of plunder or wanton destruction without justified military necessity (p. 14, lines 4-12).

It is our view that this disqualification provision is too narrow in two respects.

In the first place, as S. 2227 now reads, it is subject to the interpretation that the maltreatment of fellow citizens on racial or religious grounds does not disqualify the claimant seeking the return of his assets. The bill in its present form does not take into consideration the well-known fact that thousands of persons in Germany were persecuted by their fellow citizens on racial and religious grounds as well as on political grounds.

We submit that any ambiguity on this matter should be removed and that the bill should specify that persons convicted of having persecuted their fellow citizens on racial and religious grounds shall not be entitled to the return of their property.

In the second place, it is our view that the definition of "convicted of war crimes" should be broadened to include persons adjudged by competent tribunals, such as denazification courts in Germany, to have been "major offenders." The group designated as "major offenders" by these tribunals comprises only such persons as high officials in the Schutzstaffeln (SS) or Sturmabteilungen (SA) and leading collaborators with the Nazi regime.

While, for a number of reasons, they were not charged with war crimes (although such charges often would have been justified), it is a fact that all persons branded as "major offenders" were active and vigorous proponents of totalitarianism and sworn enemies of democracy.

It may be added that there were many other categories of persons found guilty of Nazi or Fascist affiliations but we do not here propose that the larger number of persons in these groups should similarly be denied benefits under the bill. Our recommendation is designed to disqualify only persons whose degree of identification with the Nazi or Fascist regimes was so marked and intense as to warrant the finding that they were "major offenders."

I call to the attention of the Senators here that they were so found guilty of being major offenders by tribunals consisting exclusively of their fellow citizens.

Our Supreme Court has held (*Comings v. Deutsche Bank*, 300 U. S. 115 (1937)) that the United States has the right to confiscate

the property of enemy nations situated in the United States. It follows that the return of any property hitherto vested under the Trading With the Enemy Act is an act of grace on the part of the United States.

Persons in our view adjudged to have been major offenders by tribunals composed exclusively of their fellow citizens have by their conduct forfeited any claim to become beneficiaries of this act of grace on the part of our Government.

TITLE II

1. Eligibility of claimants: Our principal recommendation with respect to this title concerns the eligibility of claimants entitled to recover for war damages they sustained. The bill provides (p. 21, lines 15-19, and p. 27, lines 5-9) that, to be eligible to recover, the claimant must have been a citizen of the United States continuously from the time of the loss to the date of the filing of his claim.

It is our view that the definition of an eligible claimant should be broadened to include persons who were residents of the United States by May 8, 1945, that is before the end of hostilities with Germany, and who on the effective date of the law and at the time of the filing of their claims, are citizens of the United States.

The formula for eligibility adopted by S. 2227 obviously has its origin in a principle of international law that a government will espouse the claims only of persons who were citizens of the country at a time of loss. This principle stems from the premise that a wrong to a person is a wrong to the state of which he is a citizen and that to redress that wrong the state will press the citizen's claim.

By the same token, the theory is that a country is not involved in a wrong against a person of another nationality and therefore a state will not espouse the claim of a national of another country, although he may be a resident of that state.

I am informed, although I was not here during the testimony of the Honorable Mr. Murphy, that that is the position that he took. It was long-established precedent on the part of our Government in the field of international claims to espouse only the claims of our citizens, that is people who were citizens at the time of loss.

If the proposal made by the State Department to which I understand it still adheres, and the one endorsed by Mr. Murphy this morning, if this proposal had anything to do with international claims in their classical sense, no objection could be raised to the formula of eligibility proposed by S. 2227.

However, it should be noted that, though the damaged property is on foreign soil, S. 2227 involves no international claims.

The claimant is not required to prove the wrongdoing of a foreign government. Nor is the fund from which claims are to be paid provided by a foreign government. I believe that that was made clear in the line of questioning that I heard.

The claimant is entitled to recover for losses sustained in the ordinary course of hostilities, and irrespective of whether the damage was inflicted by enemy or friendly troops. Moreover, the German claims fund contemplated by S. 2227 consist of money provided by the American taxpayer being repaid by Germany in settlement of

her debt for postwar economic assistance provided by the United States Government.

It is important to bear in mind that S. 2227 is domestic legislation providing compensation not for international claims but for domestic claims. Not bound by any rule of international law, with respect to these claims, the Congress is free to adopt any principle of eligibility it deems just. It is in this context that we propose the broader definition. The equities in favor of the class of persons who would benefit by the broader definition are clear.

They are persons who, in the main, were in the United States during the entire period of the war and who contributed to our war effort. Many of them either served in our military forces or had sons and other members of their families in our armed services. Moreover, they are persons who for more than 10 years, had been, as taxpayers, in effect contributing to the fund which will be used to pay the claims in question.

Inasmuch as they have renounced their foreign citizenship, there is no government other than our own to which they may appeal for a measure of relief for the war losses they sustained. In our view, the moral obligation of the United States to this class of persons is as great as it is to the persons who were citizens of the United States at the time of loss.

It is clearly as great as it is to foreign national stockholders who will benefit by the recovery of corporations which under S. 2227 are eligible if as much as 50 percent of the stock is owned by foreign nationals who are today foreign nationals.

Finally, I should add that the formula recommended by the American Jewish Congress is substantially the one recommended by the War Claims Commission in its supplementary report on war claims, which, in turn, was applauded as just by authorities in international law and by experts on international claims.

I might say at this juncture that when the Senate had under consideration the Foreign Claims Settlement Act of 1949, the Senate in fact adopted a provision similar to that as to the eligibility of claimants with respect to claims in Yugoslavia. Unfortunately the House did not go along with the Senate view, and at a conference this was resolved by making it necessary for the claimant to prove that he was a citizen at the time of loss, but the Senate itself went so far as to depart from this traditional view which seems to be the view now sponsored by the Department of State.

Should it be maintained that the broadening of the definition of eligibility will result in the reduction of the amount of recovery of persons declared eligible under S. 2227, as presently written, we should say that this would be only a consequence of doing justice to claimants having equal priority. One class of citizens should not be permitted to profit by an injustice done to another class of citizens. If a remedy exists for this situation, that is for the broadening of the definition, it lies in increasing the amount to be appropriated for the war damage compensation and not in the denial of a remedy to those who in good conscience have as much right to participate in the fund as persons now provided for in S. 2227.

2. Area where losses occurred: Another recommendation we submit to this committee relates to the place where the loss must have

occurred. Under the provisions of S. 2227 (p. 21, lines 6-10) the loss, to be compensable, must have occurred in Albania, Austria, Czechoslovakia, Germany, Greece, Poland, and Yugoslavia.

We recommend that to the list of countries mentioned above there should be added France, Belgium, Norway, Denmark, Holland, Estonia, Latvia, Lithuania, and Luxembourg. This would include all the countries in the European theater of operations other than Hungary, Rumania, and Bulgaria, with respect to which special legislation already exists.

It is true that in some of the countries, and I would say that my recollection is it is true of France, Belgium, Norway, Denmark, Holland, and Luxembourg, in some of the countries we would add there are war damage compensation programs from which American citizens may in part recover for the local losses they sustained. However, we are advised that recovery under this legislation is slow, in many instances inadequate, and in any event, unequal.

It is our view that all claimants should be placed on an equal footing. Our recommendation will accomplish that objective.

In this connection, it should be pointed out that under S. 2227, the amount of the award to any claimant is reduced by the amount the claimant is entitled to receive from any source on account of the loss with respect to which the award is made (p. 26, line 23, et seq.). This provision will insure that no claimant who sustained a loss in an area in which local war-damage compensation is available may recover twice for the same loss.

On the other hand, our recommendation insures that all claimants will enjoy equality of treatment, whether they recover from the foreign government alone or from the combination of the United States and the foreign government.

In this connection, we point out an obvious inequity in S. 2227. As indicated, the bill provides that—

In determining the amount of an award, there shall be credited all amounts the claimant has received or is entitled to receive from any source on account of the loss or losses with respect to which the award is made (p. 26, line 23 et seq.).

Since the bill provides for an apportionment of a fixed sum among all the awardholders, justice clearly demands that where a person has recovered in part for his losses from another source, the amount of his recovery shall be deducted from the sums first made available for payment on his award.

Otherwise, and under the formula proposed by S. 2227, a person who recovered in part from another source will receive an obvious and unmerited advantage over a person who obtained no such recovery.

3. Types of compensable losses: Our next recommendation relates to the types of losses that are to be compensable.

Senator LANGER. Would you read that last recommendation again?

Mr. HYMAN. We point out an obvious inequity in S. 2227. The bill provides that in determining the amount of award there shall be credited all amounts the claimant has received or is entitled to receive from any source on account of the loss or losses with respect to which the award is made.

In other words, Mr. Langer, the award is made for the net sum of his loss; that is, if a person sustained a loss of \$100,000 and received from any source \$10,000, he would receive an award of \$90,000.

Our position with respect to that provision is as follows: Since the bill provides for an apportionment of a fixed sum among all the award-holders, justice clearly demands that where a person has recovered in part for his losses from another source, the amount of his recovery should be deducted from the sums first made available by our Government for the payment on the award.

Otherwise, and under the formula proposed by S. 2227, a person who recovered in part from another source will receive an obvious and unmerited advantage over a person who obtained no such recovery.

If the Senator should like I could give you an illustration.

Senator LANGER. Go ahead; I would like to have your illustration.

Mr. HYMAN. Well, let us say that two people have sustained a loss of \$100,000. In one instance a person recovered \$10,000 from another source. Under the present bill he would receive an award of \$90,000, and then when the Foreign Claims Settlement Commission starts to pay out, he would get \$1,000 at the same time that the person who has sustained a loss in an area where he has not recovered partially, and he has an award for \$100,000, he also gets at the same time \$1,000, so that the person who has received an award from another source, or rather compensation from another source, has \$11,000 paid on his claim, and the person who has an award from the United States Government and has received no compensation from any other source receives only \$1,000, and, therefore, our recommendation is that before you start paying the man who has received from another source that amount that he has received from another source should have been paid on all the other claims on which we have made awards. Is that position clear?

Senator LANGER. I understand.

Mr. HYMAN. As a matter of fact, Senator Langer, that was the recommendation of the War Claims Commission to the Congress in its supplementary report. It is not a novel proposition.

Our next recommendation relates to the types of losses that are to be compensable.

The bill provides, page 22, line 18, et seq., that to be compensable the claim must be for—

physical damage to or physical loss or destruction of property * * * as a direct consequence of military operations of war or of special measures directed against property during the war because of the enemy or alleged enemy character of the owner * * *

It is our view that this provision is not only ambiguous, but, administratively, introduces a problem of proof that will offer untold difficulties.

How will a claimant be able to prove that the property was "physically lost" or, in other words, that his property is no longer in existence, and how will the claimant be able to establish that the property of which he was deprived was taken from him "because of the enemy or alleged enemy character of the owner"?

The purpose of war damage legislation is to compensate for losses sustained as a direct result of military operations or of acts incidental to such military operation. It is our view that this objective would be better served if the bill read that, to be compensable, the claim must be for—

damage, destruction, or loss * * * as a direct consequence of military operations, of war, or of special measures directed against the property during the war.

In addition, we point out that while making provision for compensation for property losses sustained by American citizens during World War II, the bill virtually ignores the claims of civilian American citizens who sustained physical injury and the claims of the survivors of civilian American citizens who lost their lives as a result of military action.

The only exception is a limited class of claims for injury or loss of life on the high seas. Traditionally—for example, following World War I—our country has given priority to claims for injury to persons and for loss of life over claims for the loss of property.

May I conclude by indicating our endorsement of an amendment to S. 2227 which will provide for a bulk settlement of the claims of the restitution successor organizations for heirless property of persons deprived of their liberty or life on racial, religious, or political grounds.

This amendment, I understand, will be offered by Mr. Seymour Rubin, who is the counsel for the Jewish Restitutional Successor Organizations.

The American Jewish Congress is confident that this committee will present to the Congress a bill which, taking into account the recommendations made above, will be in harmony with the traditional concepts of American justice. If the committee desires, we will be pleased to suggest specific legislative language to implement our recommendations.

Senator JOHNSTON. Do you have any questions, Senator Langer?

Senator LANGER. No questions, but I hope you prepare those amendments.

Senator JOHNSTON. We thank you for coming before us. We will be glad to have any amendments you may wish to submit to the committee.

Mr. HYMAN. Thank you very much.

Senator JOHNSTON. Mr. Julius Szasz, Cincinnati, Ohio, I believe you have a brief statement you wish to insert in the record. Do you wish to read it?

Mr. SZASZ. Yes.

Senator JOHNSTON. Proceed.

STATEMENT OF JULIUS SZASZ, CINCINNATI, OHIO

Mr. SZASZ. Mr. Chairman and gentlemen of the committee, my name is Julius Szasz. My address is 935 Marion Street, Cincinnati, Ohio. I am a citizen of the United States. I desire to submit proposed amendments to section 203 (e) of S. 2227 which is being considered at these hearings.

My proposals are as follows:

That section 203 (e) be amended (1) by substituting for the word "Germany" in line 1 on page 25, the words "Austria and Germany"; and (2) by inserting the words "prior to the effective date of this title" after the word "removed" in line 2 on page 26.

My reasons for this proposal are, in brief, the following:

1. Austria was annexed to Germany in 1938 and for the purposes of this legislation is properly to be considered as identical with Germany.

And Switzerland was a financial and personal haven for many thousands of European persecutees and refugees. Indeed, the very banking secrecy which is at the root of Interhandel's troubles with the American courts afforded those poor souls an impregnable barrier against the relentless search of the Nazis for the hidden properties of their victims.

Yet, Swiss neutrality is viewed in a dual light in this country. Where it works to our advantage, we gladly accept it, but where we wish to ignore it in favor of a special result, we do not hesitate to do so. I shall explain what I mean, but, first, let me point out that the charge that Interhandel was a cloak for German interests has, in our opinion, been exploded. As shown by witnesses who preceded me, the processes of the Washington Accord established the opposite; the Swiss Government has itself steadfastly persevered in behalf of the rights of its national, Interhandel; and official West German spokesmen have announced that their country has no right or claim to General Aniline & Film Corp. because it belongs to the Swiss. This leaves the United States Government only with an attack against the Swiss on the basis that they had no business dealings with the Germans during the war.

Thus, I come back to the phase of Swiss neutrality which the Americans, so far, have tried to reject, namely the freedom of a neutral to have business dealings with our enemy. Mind you, I do not refer to active collaboration with our enemy in its war effort; since, of course, such a thing means that the collaborator is not a neutral. I refer to ordinary business transactions, such as preservation or disposal of a stock investment interest, and the like.

It is not fair, I submit, Mr. Chairman, for our country to seize upon such transactions of a neutral as a means of disqualifying him from recovering his own property—a theory which is sought to be put forth by the Alien Property Custodian to justify its confiscation by the United States Government.

That is the tragic dilemma in which our client is placed. Let us see how we Americans would feel if American property were at stake. Suppose Great Britain has been defeated by Germany before we entered the war. Theoretically, we were then a neutral; at least, a nonbelligerent. Assume Germany had the same concept of alien property that is being urged upon the courts by the American Custodian. Up to Pearl Harbor, we surely carried on ordinary business transactions with the British. If Dunkirk had been the end of World War II, what would have become of American nationals' property in Germany? Is there an American alive who would be willing to accept the idea that Germany could have confiscated that property? Obviously, the answer is "No."

Yet, that is the Interhandel situation today. It is a pretty high penalty that a citizen of a neutral Switzerland must suffer. The only safe course—in the eyes of the Alien Property Custodian—would have been an inconsistent and contradictory one: That is, for Switzerland to be neutral in the sense of a nonbelligerent, but not neutral in an economic or business way. That is hardly a feasible course of action for one who wishes not to take sides in a fight between others, and yet is dependent, by reason of proximity and lack of natural resources, upon surrounding nations for foodstuffs and other urgent necessities.

We say to you today, Mr. Chairman and Senator Langer, please help us to find a way to return Interhandel's vested property to the Swiss. The Kilgore-Dirksen bill—S. 995—would do it because of its broad language, yet that bill is generally referred to as providing for the return of German and Japanese property. The Swiss do not wish to "ride in" on the coattails of a statute designed to ameliorate American relationships with the Germans and Japanese. While I personally feel that S. 995 should become the law in the United States, our position here today on behalf of our client, the Swiss company, Interhandel, is that its property should be returned to it because it is Swiss—the property of a neutral; the property of a national of a friendly democracy older than our own; the property of an owner who is entitled to get it back.

Obviously, S. 2227, providing for the payment of up to \$10,000 to individuals, does not solve the fundamental problems raised by our case.

And as to section 4 of S. 2227, which has its twin in Senator Clement's bill, S. 1405, such legislation is patently unconstitutional. Former Senator Hendrickson offered a similar bill, S. 2171, in the last Congress, and the subcommittee has the benefit of our brief filed at that time to that effect. Members of the Senate Judiciary Committee have expressed doubt about the validity of such legislation, and the committee, itself, steadfastly declined to report it out favorably to the Senate.

Thank you very much for this opportunity to make this statement. I think I closed in 7 minutes, did I not?

Senator JOHNSTON. You were pretty close to it.

Any questions?

Senator LANGER. As I understand it, Mr. Chairman, he wants this committee to help him.

Senator JOHNSTON. What is that?

Senator LANGER. As I understand Mr. Wilson, here, he wants this committee to help him. He offered some suggestions, is that right?

Mr. WILSON. Yes, sir. Give us back our property, Senator, we say.

Senator LANGER. You want some help?

Mr. WILSON. Yes. We would like help.

Senator JOHNSTON. Any questions by anyone?

Mr. WILSON. I started to say, your honor—Mr. Chairman. I started to address you as your honor. Excuse me.

I started to say I finished in 7 minutes because I recall last year when Mr. Derby testified, he made some very caustic and critical remarks of my client. If that develops here again, sir, may I have the privilege at least of asking the committee to give me the opportunity to rebut?

Senator JOHNSTON. We will pass on that when we get to it.

The next is Dr. Herman A. Gray.

STATEMENT OF DR. HERMAN A. GRAY, AMERICAN JEWISH COMMITTEE

My name is Herman A. Gray. I am appearing today on behalf of the American Jewish Committee, in my capacity as a member of the executive board and of the foreign affairs committee of the American Jewish Committee.

I believe that the nature and objects of the American Jewish Committee are too well known to require any extensive statement here. It is sufficient to point out that the American Jewish Committee was founded some 48 years ago, with the object of preventing the infraction of the civil and religious rights of Jews in any part of the world. It has from the date of its founding endeavored, in accordance with the statement in its charter, "to alleviate the consequence of persecution." It has been ever mindful of both the duties and the privileges of American citizens, and it has cooperated with the United States Government in many ways which have jointly advanced the purposes of the Government of the United States and of the committee.

The matter to which I wish to address myself today arises specifically in connection with certain of the provisions of title II of S. 2227, the so-called administration bill, which is one of the bills before this sub-committee. Although I shall propose an amendment directed to the provision of S. 2227, the substance of my amendment would apply as well to any legislation which may be enacted by the Congress of the United States which would deal with the claims of American nationals arising out of or in relation to the war. In essence, what I wish to propose on behalf of the American Jewish Committee is that persons who have recently acquired American citizenship, and who were persecuted during or before the period of the war, should be treated on a basis of equality with other American citizens, insofar as claims comprehended by the legislation in question may be concerned.

The proposal which I urge upon the subcommittee is incorporated in the following language:

Amend title II, section 201, of S. 2227, as follows:

"Sec. 201. As used in this title, the term or terms * * * (c) the term 'national of the United States' includes (1) persons who are citizens of the United States [and] (2) persons, citizens of the United States as of the effective date of this Act, who, if they were nationals of an enemy country, would be qualified for return under the provisions of section 32. (a) of this Act, and (3) persons who, though not citizens of the United States, owe permanent allegiance to the United States. It does not include aliens."

The purpose of this proposed amendment is, I think, plain. It would make eligible to file claims under the legislation in question persons who have been regarded and treated as enemy by Germany or Japan during the war and who are citizens of the United States at the effective date of the legislation.

By way of introduction, I might say that the American Jewish Committee would be happy to see a simpler amendment introduced, which would merely make the condition of eligibility be that the claimant is a citizen at the effective date of the act. We see, in fact, no substantial reason for discriminating against persons who have acquired their citizenship recently, when the question at issue is claims which arose out of persecution and out of wartime acts of our enemies. Nor do we know of any principles of international law which would prevent the United States, in enacting American legislation, from compensating all persons equally who are eligible claimants as of the effective date of the relevant legislation, without regard to the time when they acquired their American citizenship.

We recognize, however, that such an amendment would broaden the category of eligibility very substantially and that the funds which the United States proposes to appropriate for such claims—the amount under S. 2227 is \$100 million—might well be inadequate, were the category so greatly enlarged. In proposing the amendment which I have described above, we have been mindful of this possibility and have attempted to draft language which is based upon principles already embodied in legislation enacted by the Congress and approved by the President of the United States. That legislation has established that person who were treated as enemy by the enemies of the United States are to be accorded substantially the same rights as citizens of the United States. That principle is embodied in such legislative enactments as the Trading With the Enemy Act, which in 1946 was amended to provide for return of property to persons who, while technically enemy nationals, were in fact treated as enemies by Germany and Japan and by their satellites—

Senator LANGER. Are you referring to Yugoslavia?

Dr. GRAY. Not Yugoslavia. I am referring to the genuine satellites of Germany.

Senator LANGER. Which one?

Dr. GRAY. It would hold true for Rumania and Czechoslovakia.

Senator LANGER. You are eliminating Yugoslavia?

Dr. GRAY. Yugoslavia is not covered by this proposal, as I understand it.

And in various international acts and agreements, among them the treaties of peace with Italy, Bulgaria, Hungary and Rumania, all of which were ratified by the Senate of the United States.

Prior to 1946, the Trading With the Enemy Act did not provide for return of property other than to nationals of the United States, or to other nonenemy nationals. The Congress decided, however, in amending the Trade With the Enemy Act in that year, that persecutees—persons who were persecuted and deprived of their rights for political, racial or religious reasons—were to be entitled to return of properties vested by the Alien Property Custodian. That program has been in effect since 1946 and it has enabled many people, among them a large number of present citizens of the United States, to obtain return of their properties from the Alien Property Custodian.

Similarly, when the treaties with the Axis satellites were negotiated, the United States insisted on the insertion of clauses which would guarantee that persecutees had the same rights as United Nations nationals—that is, nationals of any one of the United Nations. This was made particularly applicable to all claims with respect to damage to property. Thus, article 78 of the treaty of peace with Italy, which is substantially identical with similar provisions in the other satellite treaties, provides for restoration of legal rights and interests in Italy of the United Nations and their nationals, for the nullification of measures of seizure and sequestration, for invalidation of transfers resulting from force or duress, and for the restoration to good order of the property returned. Paragraph 4 (a) of article 78 states that where property cannot be returned or—

Where, as a result of the war, a United Nations national has suffered a loss by reason of damage to property in Italy, he shall receive from the Italian Government compensation in lira to the extent of two-thirds of the sum

necessary, at the date of payment, to purchase similar property or to make good the loss suffered.

Paragraph 9 of article 78 provides that—

the term "United Nations nationals" * * * includes all individuals, corporations or associations which, under the laws in force in Italy during the war, have been treated as enemy.

A similar provision is also contained in article 25 of the state treaty with Austria. It will be noted that this provision is contained, therefore, in a treaty with a liberated country, as well as in the treaties with the former enemy countries.

Thus the United States has given direct rights with respect to property claims arising out of the war under the treaties of peace with Italy and the Balkan satellites to persons who were not United States nationals as of the time of the injury suffered by them or their property. This principle is clearly applicable to the claims which are here under discussion, particularly since it is suggested that eligibility be conditioned upon the possession of American citizenship as of the effective date of the legislation. A persecutee who was "treated as enemy" by our enemies during the war is regarded under the treaties which we have so far negotiated as a "United Nations national." If he is also an American national as of the present time—or as of the effective date of the proposed legislation—he should be given similar equality of treatment with other American nationals. There is no reason why the United States should have, as it did, guaranteed his treatment as a United Nations national under the treaties, only to withdraw such favorable treatment from him when the issue is remedial legislation in the United States.

There are in fact reasons why such persons should be allowed to file claims under the proposed legislation in addition to those which motivated a decision in favor of their eligibility under the treaties. In one way or another the funds which will be made available for the claims which are contemplated in title II of S. 2227 (or under similar legislation) are funds which come directly or indirectly from the Treasury of the United States. S. 2227, for example, provides that \$100 million will be paid into the German claims fund out of any payments received by the United States, through the Export-Import Bank or otherwise, from the Federal Republic of Germany under article 1 of the agreement between the United States and the Federal Republic of Germany regarding the settlement of the claim of the United States for postwar assistance to Germany. (This is the London agreement dated February 27, 1953.) Regardless of the earmarking of funds in this manner, it is clear that what is being done is to take funds which would otherwise go into the Treasury of the United States and to make them available for the special German claims fund. This means, in effect, that the present taxpayers of the United States are bearing the cost of this claims program. One hundred million dollars, which would otherwise be available generally for governmental purposes, upon congressional authorization will become available for the claims described in the legislation. Clearly, the burden is being met by present taxpayers in the United States. Among those taxpayers, of course, are the persons who would, if the amendment which the American Jewish Committee recommends were adopted, become eligible claimants.

In this regard, the proposal made here is somewhat different from the similar proposal which has been made by the Washington counsel of the American Jewish Committee, Mr. Rubin, in connection with the recently passed legislation regarding claims against the Balkan satellites. In those cases, the funds of the Balkan governments and of certain of their nationals were, pursuant to the treaties, utilized for American claims. In this case, what is being done is to take amounts which are due to the Treasury of the United States, and therefore are in equity owned equally by all citizens of the United States, and to use those funds for the claims described in the proposed legislation.

Under these circumstances, it is not merely those reasons which motivated the inclusion of article 78 in the treaty of peace with Italy and similar provisions in the other treaties, and not merely those reasons which motivated the Congress to amend the Trading With the Enemy Act to provide for return of vested properties to persecutees, which argue for the proposed amendment. In addition, it is the principle that when the United States takes funds out of the General Treasury of the United States for certain groups of claimants, it shall not discriminate between those claimants on the ground of whether they have recently or remotely become American citizens. In all equity and good conscience, persons who would be United Nations nationals under the treaties, and who are now American citizens and taxpayers, are entitled to equality of treatment.

Finally, I should point out that there is no rule or principle of international law which in any way conflicts with the amendment which I propose. We are here discussing American legislation, disposing of American funds on behalf of American claimants. We—that is, the Congress and the President, acting in accordance with our Constitution—can deal with these matters in perfect freedom, subject always to those principles of equity as among citizens of the United States which that Constitution requires.

I therefore respectfully urge upon this subcommittee that it favorably consider the language which I have proposed. I have, of course, no vested interest in that particular language and another formula which would equally incorporate the principles of which I have spoken would be equally acceptable to the American Jewish Committee. It might be, for example, that language which referred to refugees within the meaning of the Geneva Convention on Refugees, and who are now American citizens, would prove acceptable to the subcommittee. The language which I have proposed has been drafted so as to conform as closely as may be to present legislation now in effect in the United States which incorporates tests which have been administered easily over the course of the years. Other language might well be devised which would be equally appropriate or superior. The basic point, however, is that those persons who were persecuted, who are regarded as United Nations nationals under the terms of the treaties to which we are already party, and who are now American citizens, should not be discriminated against in the allocation of funds which come out of the Treasury of the United States and in which, in all equity, they are entitled equally to participate.

Before I close, I should like to draw the committee's attention to one other problem, which is of general interest to all American claimants. Under section 203 (a) of S. 2227 compensation is limited to claims which arose out of property damage or loss in Albania, Austria, Czechoslovakia, Germany, Greece, Poland, and—I am sorry, sir, also Yugoslavia. It is my understanding that the reason why losses in these countries are to be compensated is that these countries have no statutory provisions for compensation legislation to American nationals. Representations have been made to the American Jewish Committee that in point of fact the situation is no different in a number of other European countries which are, however, excluded under the terms of the bill as drafted. In a great many of these countries, there is in fact no compensation available for war damage to the property of American nationals—and when I use the term "American nationals" I, of course, refer hopefully to the definition which I have previously suggested. In many cases, countries not listed in section 203 (a) provide no effective compensation for war damage, so that the equality of treatment of American nationals is an equality in the sharing of nothing at all. In other cases, the compensation provided for is so inadequate as to be minuscule. In those cases, it would be our suggestion that it would be desirable to provide for compensation to American nationals with, however, adjustment for any compensation which may be received or due under awards made under foreign war damage claims legislation. The administrative feasibility of this kind of provision is indicated by the fact that it commonly occurs in other types of claims legislation.

And one other word, and I am through. We would like to endorse a separate amendment to S. 2227 which would provide for a bulk settlement of the claims of restitution successor organizations for heirless property, of persons deprived of their life or liberty on racial, religious, or political grounds.

I hope that these suggestions will meet with the committee's and the Congress's approval, and I thank the committee for its attention.

Senator JOHNSTON. Any questions?

Thank you very much.

Senator LANGER. General Klein would like to make a part of his testimony that he gave heretofore a part of the record.

Senator JOHNSTON. I am familiar with the report which General Klein submitted to the Senate early this year. It was indeed a significant contribution to constructive American thinking on foreign policy and he is to be commended for his patriotic effort in this connection. The committee will indeed be happy to receive his testimony.

(The statement referred to follows:)

GERMAN GRIEVANCES

The wartime confiscation by the United States Government of the property of private individuals of German nationality is the principal grievance which Germans, alike of high and low estate, voice against America. This state of mind is unchanged since my testimony before the Senate Judiciary Subcommittee to amend the Trading With the Enemy Act, which is included in the appendix to this report, to serve as a more extended discussion of the subject. An equitable resolution of this issue (with proper safeguards for our national security) is urgently desirable in the interest of good will.

Twenty years ago I wrote an article, published in the Sunday Los Angeles Times of October 21, 1934, captioned "Will Death Destroy Their Empires?" The article correctly predicted developments within the next few years in the empires ruled by Hitler, Mussolini, and Stalin. In it I made reference to the fact that President Herbert Hoover correctly understood the economic and political situation of Germany and tried to stem the Nazi Party's rise to power by granting Germany a moratorium of her war debts.

As a result of this brief reference to the moratorium I was requested to prepare a followup article, which I did. Its caption was "President Hoover and Hindenburg Tried To Stop Hitler." I did considerable research for the article and had available to me important information not hitherto published. The material thus assembled demonstrated not only Herbert Hoover's far-sighted statesmanship, but served to demonstrate clearly that political developments within any given country are influenced immeasurably by economic factors. This is a principle that must be kept in mind in dealing with the problem of confiscated German assets and other economic factors.

Senator LANGER. Mr. Chairman, an old family friend by the name of Mr. Harry L. Derby, of Montclair, N. J.—I asked for his testimony yesterday, and I wondered if we would hear from him a little while.

Senator JOHNSTON. Let's hear some of these shorter ones, first.

Senator LANGER. I wanted to be certain Mr. Derby could be heard. He is an old friend of ours.

Senator JOHNSTON. Mr. A. Lewis Spitzer, has notified the Chair that he will be unable to appear and would like his statement put in the record at this time.

(The statement referred to follows:)

STATEMENT OF A. L. SPITZER, NEW YORK, N. Y.

I am an attorney practicing in New York City. My interest in alien property matters began in 1924, when the firm I was associated with represented domestic and foreign clients in such matters and American companies in claims against Germany before the Mixed Claims Commissions. My statement is prompted by American citizens I have represented for many years in individual and corporate matters.

In returning vested property, certain provisions of S. 2227 and S. 995 should be combined, as follows:

1. The return of vested property to any one person should not be limited to \$10,000 in value, as provided in S. 2227, but all of it should be returned to a person thereto entitled under the bill as provided as S. 995, section 40 (a), less a fair percentage for the expenses of administration.

2. The return should be made to the "record holder" at the time of vesting as provided in S. 995.

3. In case of a gift of property to a citizen of the United States which failed for want of a Treasury license to validate the transfer, so that the property was vested, the return should be made to the intended donee.

I believe that our great democracy in its treatment of vested property cannot only afford to, but should by all means, stand on principle, both moral and ethical, and give full recognition to the sanctity of private property. That calls for a return thereof, not as a matter of right, but of grace, to the former owners thereof except those guilty of war crimes or under Soviet or Communist domination.

The principal reasons for returning vested property to former enemy owners, it seems to me, are (1) that the real purpose of vesting in the first instance was to immobilize enemy property during the war and render it unusable by or on behalf of the enemy, as has been generally stated by our courts, and as the war is over and that purpose served, it is just and proper that it be returned, and (2) that confiscation of private property, even in time of war, is not a principle of our great democracy, but inconsistent with and repugnant to all our moral and ethical principles and violative of the sanctity of private property, and we recognize that it should be returned as a matter of grace now that it can no longer be used against us, and (3) that as we resume friendly relations with

Lend-lease aid rendered by the United States, World War II, by major countries and country groups, Mar. 11, 1941, through June 30, 1945

County or group:	Total expenditures to June 30, 1945
British Commonwealth, including Canada	\$29,280,184,735
China	338,287,842
France	645,459,595
Russia	10,074,691,047
Belgium	31,585,058
Czechoslovakia	16,758
Egypt	10,621
Ethiopia	5,081,371
Greece	72,854,831
Iceland	3,786,437
Iran	19,780
Irac	4,144
Liberia	1,981,104
Netherlands	146,633,122
Norway	31,244,707
Poland	15,982,251
Saudi Arabia	11,046,553
Turkey	21,154,577
Yugoslavia	18,369,421
Unassigned areas	56,982,452
American Republics (16)	346,356,443
Production facilities, special projects, and administrative expense	1,869,018,422

Total lend-lease to June 30, 1945 ¹42,020,779,261

¹ Production facilities in the United States provided with lend-lease funds accounted for \$634,209,771. Special projects, servicing of foreign vessels, ocean freight, and administrative expenses cost \$234,808,651, making a total of \$869,018,422.

² In addition to lend-lease aid furnished during the period to June 30, 1945, the United States expended \$2,413,193,669 for installations owned or controlled in foreign countries or their dependencies. In all, there were 3,013 of these installations, all but 66 of which were military in character. As examples of the nonmilitary expenditures are such items as expenditure of \$104,101 in India for production of mica and an additional \$4,141 for extraction of beryllium ores.

Since the close of World War II, up to and including June 30, 1955, in order to help other countries as well as ourselves in maintaining our free way of life, we have extended in grants and credits to other nations and areas a total of over \$51 billion as shown by the table which follows:

POSTWAR FOREIGN AID

Net grants and credits from the United States to foreign countries and areas

[Postwar period: July 1, 1945, to June 30, 1955, excluding payments to capital of International Bank (\$635 million) and International Monetary Fund (\$2,750 million), which were both measures to promote foreign economic recovery following World War II. Compilation includes interim aid under United Nations Relief and Rehabilitation Administration, CARIOA, Marshall plan (EOA), Mutual Security Administration, and International Cooperation Administration]

Country or area	Net grants	Net credits	Total
Western Europe:			
Austria	\$1,003,000,000	\$8,000,000	\$1,011,000,000
Belgium-Luxembourg	579,000,000	151,000,000	730,000,000
United Kingdom	2,658,000,000	4,294,000,000	6,952,000,000
Denmark	233,000,000	49,000,000	282,000,000
Finland	3,000,000	77,000,000	80,000,000
France	3,561,000,000	1,842,000,000	5,403,000,000
Germany (Federal Republic)	2,676,000,000	1,192,000,000	3,868,000,000
Iceland	28,000,000	6,000,000	34,000,000
Ireland (Eire)	17,000,000	128,000,000	145,000,000
Italy, including Trieste	2,466,000,000	277,000,000	2,743,000,000
Netherlands	791,000,000	268,000,000	1,059,000,000
Norway	207,000,000	102,000,000	309,000,000
Portugal	15,000,000	50,000,000	65,000,000
Spain	35,000,000	56,000,000	91,000,000
Sweden	87,000,000	21,000,000	108,000,000
Yugoslavia	666,000,000	53,000,000	719,000,000
Unspecified aid in Western Europe	681,000,000	101,000,000	782,000,000
Eastern Europe:			
Czechoslovakia	186,000,000	5,000,000	191,000,000
Eastern Germany	17,000,000		17,000,000
Poland	365,000,000	63,000,000	428,000,000
U. S. S. R. (Russia)	204,000,000	222,000,000	426,000,000
Other Eastern Europe	26,000,000	13,000,000	39,000,000
Near East-Africa:			
Egypt	22,000,000	4,000,000	26,000,000
Rhodesia and Nyassaland		40,000,000	40,000,000
Greece	1,200,000,000	75,000,000	1,275,000,000
Iran	141,000,000	55,000,000	196,000,000
Iraq		142,000,000	142,000,000
Israel	231,000,000	128,000,000	359,000,000
Jordan	21,000,000		21,000,000
Liberia	6,000,000	18,000,000	24,000,000
Turkey	219,000,000	93,000,000	312,000,000
Union of South Africa	-92,000,000	104,000,000	12,000,000
Unspecified areas	176,000,000	-6,000,000	170,000,000
South Asia:			
Afghanistan	3,000,000	24,000,000	27,000,000
India	101,000,000	227,000,000	328,000,000
Pakistan	118,000,000	15,000,000	133,000,000
Burma	20,000,000	-2,000,000	22,000,000
Indochina	303,000,000		303,000,000
Indonesia	104,000,000	137,000,000	241,000,000
Thailand	25,000,000	1,000,000	26,000,000
Unspecified South Asia	17,000,000		17,000,000
Asia and Pacific:			
Australia	-9,000,000	12,000,000	3,000,000
China (Formosa)	1,074,000,000	106,000,000	1,180,000,000
Japan	2,410,000,000	60,000,000	2,470,000,000
Korea	1,158,000,000	21,000,000	1,179,000,000
New Zealand	2,000,000	3,000,000	5,000,000
Philippines	743,000,000	77,000,000	820,000,000
Other Asia-Pacific	24,000,000		24,000,000
Canada		6,000,000	6,000,000
American Republics	256,000,000	752,000,000	1,008,000,000
International organizations	907,000,000	60,000,000	967,000,000
Total	25,684,000,000	10,992,142,000	36,676,142,000
Military grants	14,663,000,000		14,663,000,000
Grand total, grants and credits			51,339,142,000

EXPLANATORY NOTES

Foreign aid in the postwar period to June 30, 1955, including military grants of \$14,663 million were distributed in general areas as follows:

(1) Western Europe (excluding Greece and Turkey)	\$33,409,000,000
(2) Eastern Europe	1,101,000,000
(3) Near East (including Greece and Turkey)	4,316,000,000
(4) South Asia, other Asia and Pacific	10,153,000,000
(5) American Republics	1,233,000,000
(6) Canada	6,000,000
(7) International organizations and unspecified areas	1,118,000,000
(8) Adjustment due to rounding to thousands	3,142,000

Distributive total 51,339,142,000

Source: Foreign Grants and Credits by the United States Government, a report prepared in the Office of Business Economics of the Department of Commerce for the use of Congress and Government agencies. Issued October 1955.

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benefit of a judicial trial to determine that fact of such violation, and that punishment is "graduated and proportioned to offense." *Weems v. United States* (217 U. S. 349, 367 (1910)).

Under the relevant judicial precedents, there seems to be only one category of aliens whose property located in the United States may constitutionally be subject to confiscation under the war powers. That is the citizen who had actively participated as a belligerent in the enemy cause. Even as to him, the judicial precedents (point 2 (c) supra) indicate that he must be afforded the protection of a judicial proceeding to determine the relevant facts and that the constitutional limitation of forfeiture of property to that of a life estate applies (Art. III, sec. 3).

The United States must, therefore, now make provision for the necessary judicial protection of the rights of American citizens whose property has been vested but is not constitutionally subject to confiscation.

We should remember that ours is a government of enumerated powers. *McCulloch v. Maryland* (4 Wheat. 316, 405 (1819)). The cautionary words of *Boyd v. United States* (116 U. S. 616, 635 (1886)), are here most pertinent:

"* * illegitimate and unconstitutional practices get their first footing in that way, namely, by silent approaches and slight deviations from legal modes of procedure. This can only be obviated by adhering to the rule that constitutional provisions for the security of person and property should be liberally construed."

We are no longer concerned with the prosecution of the war and the powers attendant thereto but with the rights of American citizens to their property and enjoyment. In this sphere, "the constitutional basis should be scrutinized with care." *Woods v. Cloyd W. Miller Co.* (333 U. S. 138, 147 (1948) (concurring opinion of Justice Jackson)).

Congress must, therefore, find a basis upon which it can harmonize its interest in the preservation of war powers in their fullest extent with the interest of American citizens to protection under the Constitution against a taking of their property without compensation.

It is submitted that these interests can both be safeguarded if the following amendments to Trading With the Enemy Act were made:

Section 32 (a) (2) should be amended to include a new paragraph to be designated as (F) and to be inserted at the end thereof, reading as follows:

"(F) a citizen of the United States who shall have been convicted of a violation of any provision of chapter 115 of title 18 of the United States Code or of any other crime involving disloyalty to the United States, if committed for the purpose of giving aid to any government hostile to the United States or who shall have otherwise acted as a belligerent in the enemy cause."

Section 32 (5) should be amended to read as follows:

"(5) that such return is in the interest of the United States, except in the case of citizens of the United States, who are not persons of the class described in paragraph (F) of clause (2) of this subsection (a).

Section 32 should be amended by the addition of a new paragraph appearing at the end of subsection (a), and as a part thereof, reading as follows:

Any citizen of the United States whose property or interest, or the net proceeds thereof the President is authorized to return under the foregoing provisions of this subsection (a), except any person who is a defendant in pending proceedings of the nature described in section 32 (a) (2) (F), may file notice of claim for the return of such property, interest, or net proceeds within one year from the date of the enactment of this paragraph, or within one year from the date of his acquittal in the case of a person who may have been a defendant in proceedings of the nature described in section 32 (a) (2) (F). If, after the expiration of the applicable one year period, any citizen of the United States, who has not filed a notice of claim for the return of his property or interest, or net proceeds thereof under the provisions of this subsection (a) shall be entitled to the return of such property within sixty days after the filing of additional written notice of demand therefor, then such citizen shall be entitled to institute a claim in equity in the manner provided for in subsection (a) of section 9 of this Act."

Senator JOHNSTON. I will have to leave the committee. I have to finish my other engagement and I will ask Senator Langer to take over. I will probably be looking at this list we can dispose of the witnesses

that are out of town probably before lunch. What time do you want to come back after lunch?

I will be back in at 2:30 and any of the committee that can, can come back and we will try to finish over this afternoon. Take over, Senator Langer.

Senator LANGER (presiding). Call your next witness, Mr. Wood.

Mr. WOOD. Mr. Seymour J. Rubin, representing the Jewish Restitution Successor Organization has requested the opportunity to make a brief statement because of his having to leave the country by pre-arrangement on other matters and Mr. Rubin, you will identify yourself for the record and proceed.

STATEMENT OF SEYMOUR J. RUBIN, WASHINGTON, D. C.

Mr. RUBIN. My name is Seymour J. Rubin. I am a lawyer here in the city of Washington and also, like the previous witness, an Illinoisan and come from the city of Chicago originally. I am appearing as Washington counsel for the Jewish Restitution Successor Organization and I speak of legislation which the Congress has already enacted which seems to us to stand in need of some further implementing legislation in order to achieve the purposes put into the statute already by the Congress.

As Senator Langer will certainly recall, Public Law 626 became law in the 83d Congress, the bill in the Senate there being sponsored by yourself, Senator Langer, by Senator Dirksen and by Senator Hennings.

It is legislation which had very wide bipartisan support. Very briefly that legislation sought to give to a successor organization in the United States the right to file claims to heirless property vested by the Alien Property Custodian. That heirless property is property which belonged to persecutees who themselves or whose heirs would have been able to claim it had they been alive to do so.

It addressed themselves to the situation in which those persecutees were dead, had been exterminated together with their entire families so there was no individual claimant available to file a claim with the Office of Alien Property.

The legislation provided that a successor organization should be set up, could qualify, that that successor organization could file claims to such property. The Jewish Restitution Successor Organization, an organization which had had extensive experience in this field in Germany under military government directives was designated by President Eisenhower in January 1955 as the proper successor organization. That organization had obviously very great difficulties in finding out the facts and the figures and the proofs on the basis of which it could file its claims. It nevertheless filed a very substantial number of claims with the Office of Alien Property before the filing deadline of last August and we now find ourselves in the situation in which there are a great many claims on file with the Office of Alien Property but a situation also in which proofs on these various claims are almost impossible to come by. What I am suggesting to the committee at this time is that either in connection with S. 2227 or separate legislation or in connection with other legislation which the committee may consider as an amendment to the Trading With the Enemy Act that provision should be made for an overall and

a speedy settlement of these claims filed by the Jewish Restitution Successor Organization.

We have worked very extensively in cooperation with the Office of Alien Property on these claims and the number has been very substantially whittled down. The figures available to us from the Office of Alien Property indicate that there are some \$865,000 worth of claims which after quite extensive examination and investigation by the Office of Alien Property would appear to be valid claims of the JRSO. What we would like to do, what we would like to suggest is that the Congress favorably consider authorizing and directing the Office of Alien Property to settle those claims of the JRSO by making payment in those cases in which the claims have been filed on the basis of such information as is available to the JRSO in which the Office of Alien Property has made extensive examination of its existing files and in which no information adverse to the JRSO claim has been developed despite such investigation.

That, sir, we think would carry out the purposes of Public Law 626.

It would provide a method for making funds available to persecutees who are here in the United States who are in need who are the intended beneficiaries of Public Law 626. The amounts which would be involved are very, very small in terms of the amounts of the amounts which are otherwise involved in trading with the enemy matters. Public Law 626 provided a ceiling of \$3 million which gives some indication of what the Congress thought might be involved.

Probably the total amount which we would be able to validly claim under the proposals I put before you would be not in excess of 800,000.

Senator LANGER. Thank you.

(The document referred to is as follows:)

DEPARTMENT OF JUSTICE,
OFFICE OF ALIEN PROPERTY,
Washington D. C., March 27, 1956.

HONORABLE EVERETT M. DIRKSEN,
United States Senate,
Washington, D. C.

DEAR SENATOR DIRKSEN: This letter supplements my reply of February 9, 1956, to your letter of January 31, 1956, concerning an amendment to Public Law 626, 83d Congress, which is being proposed by the Jewish Restitution Successor Organization (JRSO).

This Office has completed the examination of its files referred to in my letter of February 9. Originally, 7,000 claims were filed by JRSO. The list of claims thereafter furnished this Office by JRSO which it asserts to be within the non-adverse or nonconflicting category contained only 4,138 names. Two names were deleted with JRSO's knowledge and one added at its request, with the result that the list was reduced to 4,137. The examination of the files was made with respect to these 4,137 claims.

Set forth below are the results of the examination:

	Number	Value of claimed property
1. Cases in which there are claims on file conflicting directly with JRSO claims.....	106	\$556,161.14
2. Cases in which there are claims on file conflicting indirectly with JRSO claims.....	148	411,668.34
3. Cases in which the vestee is alive.....	970	3,963,508.34
4. Cases in which there are known heirs of the vestee.....	2,016	3,160,851.79
5. Cases in which the vestee is not Jewish.....	83	245,763.91
6. Cases in which the vestee is a business enterprise and therefore ineligible.....	6	11,697.92
7. Cases in which it appears JRSO may be successor under Public Law 626.....	15	24,608.77
8. Cases in which there is no information concerning the vestee or his heirs.....	793	841,325.16

Groups 7 and 8, comprising 808 cases, appear to be the only 2 groups in which there will be found any significant number of cases of "heirless" assets returnable to JRSO as a successor organization under Public Law 626. The total value of the property involved in these 2 groups is \$865,933.93. Assuming that as high a figure as half of this total should prove to be returnable under Public Law 626, JRSO would receive only approximately \$435,000. Accordingly, the proposed amendment authorizing a bulk settlement of not less than \$2 million and not more than \$3 million is wholly unrealistic. The amendment would result in JRSO's acquisition of assets which were not owned by persecutees of the Nazi government, and thus would be contrary to the intention of Congress in enacting Public Law 626.

Sincerely yours,

PAUL V. MYRON,
Deputy Director, Office of Alien Property.

STATEMENT OF SEYMOUR J. RUBIN

In connection with the earlier hearings on S. 2227 and other bills before this subcommittee, I handed to counsel for the subcommittee, Mr. Wood, copies of a statement prepared on behalf of the Jewish Restitution Successor Organization.

The background of what I would like to state to the subcommittee at this time is contained in that earlier statement, which describes both the background of the JRSO, the nature of the legislation under which it was designated by President Eisenhower as successor organization under Public Law 626, and the method under which, in cooperation with agencies of the United States Government, it has prepared and filed with the Office of Alien Property some 7,000 claims to heirless or unclaimed property. To recapitulate very briefly, Public Law 626, legislation which had extensive bipartisan support and which was enacted by the 83d Congress, declared the policy of the United States to be that heirless and unclaimed property, vested by the Custodian, should be "returned" to a successor organization, and used for charitable and relief activities among persecutees who are in need and who are in the United States. The property to be returned was that which persecutees or their heirs would have been able to claim and obtain had they been alive or able to present such claims. It was felt that such property ought not merely escheat to the Treasury of the United States; that, since it was property of persecutees, it should be used for relief of surviving persecutees; and a Presidential Executive order, in January of 1955, designated the JRSO, an American charitable organization which had worked in the heirless property field for many years, and had been previously the designee of United States military government in Germany, as the appropriate organization, under many safeguards, to present such claims.

Formulation and presentation of these claims, because of the almost total destruction of records involving those persecutees who were killed by the Nazis, together with their immediate families, was a task of enormous difficulty. Precision was impossible. A great number of claims were filed, under procedures described in my previous statement. As a result of numerous consultations and discussions, of attempts to work matters out in the best possible way, a bill was drafted, which was suggested by the JRSO. That bill proposed a bulk settlement of the JRSO claims, along lines well-recognized in dealing with the settlement of the JRSO claims, along lines well-recognized in dealing with the bill was drafted, which was suggested by the JRSO. That bill proposed a bulk contained in Public Law 626, and suggested a floor of \$2 million, which seemed reasonable on the basis of information then available. A bill along those lines has in fact now been introduced in the House of Representatives (H. R. 9972). Like other legislation of this sort, it is entirely bipartisan in spirit, and was introduced by Representatives Klein and Wolverton, both members of the House committee having Trading With the Enemy Act jurisdiction.

It is my feeling, based on continued discussions, that the interested Government agencies would favor a method of quickly settling JRSO claims. Such a method, based on facts developed by both the JRSO and the Office of Alien Property, would cut through endless delay. It would eliminate the possibility—which is all too likely to be the fact if individual processing of a large number of claims of this sort, where records are lost or destroyed—of administrative costs which would consume the amounts recovered. This is an even more serious problem for the JRSO than it would be for a normal claimant, because Public Law 626 prohibits the charging of administrative costs to the amounts

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recovered—which would mean that the JRSO would have to expend charitable funds in what might well be a fruitless task. Moreover, such a procedure would eliminate a large number of claims from the crowded dockets of the Office of Alien Property, would prevent delay in other meritorious claims while JRSO claims were being processed, and would save the Government great administrative expense.

I anticipate, therefore, that all will agree to the idea of quick and general settlement of JRSO claims.

The question then remains as to the amount, or the manner of such a settlement. In this connection, it should be frankly stated that there are some difficulties. I do not consider them at all insuperable; and I think that if we keep firmly in mind the fundamental and declared purpose of the Congress in enacting Public Law 626—to provide heirless funds to the surviving persecutees, administered on a charitable basis—and if we also recall that the Congress gave some estimate of the amounts which it was willing to have devoted to this purpose by inserting the \$3 million limit in Public Law 626—we can arrive at a solution to this question.

The Office of Alien Property has recently been able to complete a preliminary analysis of the JRSO claims. In this analysis, it has deferred consideration of those claims as to which there was some adverse interest—whether that of creditor or putative owner, in whole or in part. It has also deferred consideration of those claims which involved unknown amounts in omnibus accounts of foreign banks—where there may well be considerable quantities of heirless property. It has—very properly—first examined the so-called “clear” JRSO claims.

The results of this analysis indicate that there are a number of claims in which the evidence supports the JRSO claim. And there are a number of others in which, the JRSO having filed a claim on the basis of its information and belief, the OPA has no file evidence to indicate anything contrary to the JRSO claim.

This situation has been discussed with the Office of Alien Property. It is our feeling that it sets the stage for an overall settlement of the JRSO claims, on the basis of the examination so far made, and without the necessity of further prolonged investigation which would almost certainly be fruitless and which would inevitably be tremendously expensive.

What we now propose, on the basis of the information currently available, is that the Congress enact—either as a section of general legislation in this general field, or, preferably, as separate legislation—an act which would authorize the prompt settlement of these JRSO claims, on the basis of the examination and the situation which I have described. Such legislation would be in effect an amendment to Public Law 626. It would authorize and direct the President (who would, of course, designate the custodian or such agency as is generally charged with responsibility in alien property matters) to settle by payment to the JRSO, minus the usual custodial charges, the amount of claims in situations in which (a) the JRSO had filed its claim, (b) the claim and the file had been examined by the custodian, and (c) no information adverse to the JRSO claim had been discovered. The amount, we understand, which would be involved, if this legislation were to be enacted, would be in the neighborhood of \$865,000. This amount is, it will be noted, vastly short of the limit of \$3 million set by the Congress in Public Law 626.

We recognize that the standards of proof which would govern this settlement are not those which would be applicable in the case of a natural claimant, appearing in person to ask for return of property which he asserts is his. But the situation here is a world different from that case. Here we are dealing with the property of those who died in the Nazi concentration camps, together with their families. Where, under these circumstances, are documents of title, proofs, etc., to come from, especially when we consider that most of these persons were persecuted since 1933, that deportations and separations of families under the worst possible circumstances were customary?

Moreover, the terms of Public Law 626, which were carefully reviewed by the Senate Judiciary Committee, not once, but several times, provide an ample safeguard for any individual who may later appear and claim to be the actual owner of property so returned to the JRSO. For the law provides that such persons can file claims with the JRSO for a 2-year period after the property is put into the agency's hands, and, if they are qualified claimants, the JRSO must return the property to them. In this sense—as, indeed, the terms of Public

Law 626 and of the President's Executive order make clear—the JRSO is hardly less than a Government agency, responsible for carrying out a policy enacted by the United States Congress.

Under these circumstances, the JRSO would urge upon this subcommittee either the bill (H. R. 9972), introduced in the House of Representatives by Klein and Wolverton, or an alternative measure. The alternative could be a measure which would authorize and direct the appropriate authorities on the executive side of the Government to settle by payment JRSO claims in situations in which, after investigation of the files here in the OAP office in Washington, no information adverse to the JRSO claim has been adduced. Of course, return under such circumstances to the JRSO would be subject to the overriding proviso of Public Law 626 that return must be made to a qualified owner-claimant if he appears within a 2-year period from the date of return to the JRSO. This would safeguard all possible claimant interests, and would expeditiously and economically settle a large number of claims, the individual administration of which would unnecessarily burden the charitable funds of the JRSO, and the appropriations of the Office of Alien Property. Such a solution would leave to one side such claims as the others I have mentioned—involving, for example, claims to amounts involved in omnibus accounts—until such date as final determination is reached by the Government as to ultimate disposition of those omnibus accounts. This would again result in no administrative burden on anyone—private or governmental agency.

The solution I urge would, I believe, have great merit. It is essential if the intent of the Congress is to be carried out, as that intent is expressed in Public Law 626. It would result in some small funds being made available to persons here in the United States; persecutees under the Hitler régime, who are in great need. It would save administrative costs all the way around. It would expedite consideration of other claims of the sort which have to be taken up on an individual basis. And it would be consonant with the humanitarian spirit which the United States has consistently displayed in connection with the relief of the first and most severely persecuted victims of Hitlerism.

I thank the subcommittee for its attention.

Sennator LANGER. The next witness?

Mr. WOOD. Mr. Abraham J. Hyman of the American Jewish Congress.

STATEMENT OF ABRAHAM J. HYMAN, AMERICAN JEWISH CONGRESS

Mr. HYMAN. Members of the committee, my name is Abraham S. Hyman. I represent here and am appearing here on behalf of the American Jewish Congress.

I think that is what you called it. And I was from November 1950 to May 1953, the General Counsel of the United States War Claims Commission, the agency which merged into the present Foreign Claims Settlement Commission. In my capacity as General Counsel of that agency I prepared or rather directed a study of war claims arising out of World War II.

It is a supplementary report of course under the supervision of the War Claims Commission. This report was submitted to the Congress on January 16, 1953, and as I stated at the previous time I testified here I believe it is fair to say that S. 2227, the bill on which I should like to testify briefly was in part predicated upon the recommendations made in that report.

In my previous testimony on S. 2227, I made a number of recommendations. The principal recommendations had to do with the recommendation that major offenders, people who were adjudged by denazification courts to be major offenders in Germany should not be eligible for the return of any of their property seized under the Trad-

ing With the Enemy Act. I also made a recommendation that certain countries in Central Europe be added to the list of countries where a loss to be compensable may have occurred and finally we recommended that persons who were residents of the United States at the time of loss and who are citizens at the time of the enactment of the measures should be eligible to recover for war damages.

In my prepared statement—I realize you're pressed for time and I want to be as brief as I can—I went into considerable length again to elaborate on the third of these recommendations; namely, that a person who was a resident of the United States at the time of the cessation of hostilities and a citizen of the United States at the time of the enactment of the bill and the presentation of the claim should be eligible.

I show British and American precedent in support of this position. I shall not read that portion of the statement but because I deal extensively I believe with S. 2227 with respect to the question of where a compensable loss must have occurred, I want to take the privilege of reading that portion of my statement so that Senator Langer and Mr. Wood may question me upon the views that the organization that I represent has expressed on this particular point.

In my previous appearance before this subcommittee, we recommended that S. 2227 be amended to add other countries in central Europe to those listed in the bill where the loss, to be compensable, must have occurred. In a reexamination of this question, we became convinced that our earlier recommendation did not go far enough.

In this connection, it is necessary to bear in mind that the funds which will be used to pay the war damage claims compensable under S. 2227 are funds which were provided for by the American taxpayer.

It is a very fundamental thing to bear in mind when we try to evaluate this bill.

The fact that the funds will, under the bill, not be available for the payment of the claims until Germany has repaid the \$100 million out of the postwar loan advanced to her does not alter the fact that the funds come from the pockets of the American taxpayer.

I heard Mr. Clay of the Foreign Claims Settlement Commission this morning take the position that this payment of the war damages claims contemplated by S. 2227 will not cost the American taxpayer a cent. I take issue with that statement because irrespective of whether the Congress would appropriate this money originally or whether we appropriate this money after we recover a sum of money which we have given to Germany by way of a postwar loan, it still does not alter the fact that this is tax money.

Once this point is established, it becomes clear that to honor the claims of Americans who lost property in some of the countries of the European theater of operations and to ignore the claims of persons who sustained losses in other European countries and in China, Hong Kong, Burma, north Africa, et cetera, is discriminatory and is not in keeping with the traditional American policy of equal treatment for all citizens.

Under the War Claims Act of 1948 the War Claims Commission, the predecessor of the Foreign Claims Settlement Commission, was charged with the responsibility of preparing a report on war claims arising out of World War II and of submitting its recommendations to the Congress as to how these claims should be handled.

Pursuant to this mandate, the War Claims Commission submitted two reports. The second of the two, to which I referred at the outset, namely the supplemental report on war claims, was the more comprehensive.

In that report the Commission made a series of recommendations which, if implemented, would have treated all citizens who had sustained war losses equally. Specifically, it recommended a comprehensive war damage bill under which war losses wherever sustained, would be compensable and deductions would be made of the amounts the claimants recover from countries in which local compensation is provided.

Under this general formula, it would be assured that no citizen would secure an advantage over another, unless the person was fortunate enough to have recovered from the country in which he sustained his loss a sum in excess of his pro rata share of the amount appropriated by the Congress.

To the extent that S. 2227 does not follow the recommendations of the War Claims Commission's supplementary report, it does not only fail to come to grips with the outstanding problem of World War II war claims, but is basically an unjust measure.

I must in all candor before this committee say that the bill in its present form is a razzle-dazzle bill. It provides for the return to former enemy nationals property up to the sum of \$10,000 taken under the Trading With the Enemy Act; perhaps to make this return palatable and I am expressing no view of our organization on the issue of return of property, whether it is morally or legally right. I have personal views on this but I am not representing the points of view of the American Jewish Congress on that, but I am trying to interpret the bill to those who would oppose such return without taking care of American claimants who had sustained losses which they had expected to be satisfied out of the enemy assets, it christens tax money which the American Government is going to get back from the German Government as "The German Claims Fund" (as though the funds were really provided by Germany); and it makes this tax money available for the payment of claims only for losses sustained in and about Germany, thus perpetuating the impression that the money comes from Germany and therefore should be used only to compensate losses for which Germany has some responsibility.

We cannot see how the Congress of the United States will, if it enacts S. 2227 substantially in its present form, be able to resist the arguments of hundreds, perhaps thousands, of American citizens whom the bill completely ignores; who are they? American civilian citizens who sustained personal injuries in the war; the survivors of American civilian citizens who died in the war; citizens who sustained losses in the Far East, in north Africa, and in countries in Central Europe other than those specifically mentioned in S. 2227; persons fleeing from persecution of our enemy whom we admitted to our shores before and during the war and who are now citizens of the United States, and citizens whose recovery under the laws of the countries in which they sustained losses, is less than that an American citizen may recover under S. 2227.

Mr. Wood. Mr. Hyman, what would be your recommendation? You are telling us in your statement that those that are prohibited

from sharing in the benefits of S. 2227. What would be your recommendation for the subcommittee at this point?

Mr. HYMAN: I list the recommendations at the end of my prepared statement, but I will tell it to you orally. Our recommendation would be as follows: In the first place you change the name of the fund in order not to mistake the nature of it. Call it a war claims fund. You have a comprehensive war claims bill which not only honors the claims of American citizens who sustained losses in Central Europe, but which honors the claims of losses of American citizen who sustained losses wherever it may be and do it all at one time because ultimately as we say in our statement, ultimately the Congress will have to satisfy these claims. The people who lost in the Far East are going to come with demands before you.

Mr. WOOD: Among your recommendations you don't state that there is a necessity for a direct appropriation, do you, but your recommendations comprehend that that would be necessary.

Mr. HYMAN: Mr. Wood, I say we are appropriating money. It is a mistaken notion—

Mr. WOOD: I said direct appropriation.

Mr. HYMAN: Direct appropriation. What difference does it make? We can get the money back in the Treasury and then reappropriate it. If we did not appropriate this money and identify the payment of claims with this particular money what would happen to the money? The \$1 billion or so which the German Government is going to repay by way of repayment of its former loan would come back in the Treasury and that money would be appropriated. So I say the bill is inadequate and should be completely reconsidered, reconsidered in the light of a comprehensive study that was made under section 8 of the War Claims Act, and then have a bill which is just and just to all citizens instead of those who suffered losses in one part of the war. It was one war. We have one class of citizen and under our theory of government they should all be treated alike. You will have to do it eventually by piecemeal legislation. American citizens have been waiting for 11 years to get a comprehensive war damage bill. This does not represent that kind of a bill. It represents anything but that. I submit the recommendations to you. At the end of my prepared statement there is a certain series of recommendations which I believe if implemented will get you now a bill which will by patchwork eventually be achieved by the Congress.

Senator LANGER. Thank you.

(The document referred to is as follows:)

STATEMENT OF AMERICAN JEWISH CONGRESS SUBMITTED BY ABRAHAM S. HYMAN

My name is Abraham S. Hyman. I reside at 600 West End Avenue, New York City. I am executive secretary of the World Jewish Congress. From November 1950 to May 1953 I served as the general counsel of the United States War Claims Commission, the agency which has been merged into the Foreign Claims Settlement Commission. In my capacity as general counsel of the War Claims Commission I directed the study of war losses suffered by Americans during World War II, which study is reflected in the Supplementary Report on War Claims submitted to the Congress on January 16, 1953. The report is House Document No. 67, 83d Congress, 1st session.

I am appearing on behalf of the American Jewish Congress to testify on S. 2227. The American Jewish Congress is a nationwide organization of American Jews formed in 1918 by such American Jewish leaders as Supreme Court Justice Brandeis, Judge Mack, and the late Stephen S. Wise. Since its inception it has

consistently dedicated itself to the preservation and extension of the democratic way of life, and to the assurance of the fundamental freedoms of man by the elimination of all forms of political, social, or economic discrimination because of race, religion, or ancestry.

On November 29, 1955, I appeared before this subcommittee on behalf of the American Jewish Congress and testified on S. 2227. In the course of this testimony I urged a number of amendments of the bill, including the following:

1. That persons adjudged by competent tribunals, such as denazification courts, to have been major offenders shall be excluded from the class of persons entitled to the return of property vested pursuant to the Trading With the Enemy Act.

2. That the list of countries where the loss, to be compensable, must have occurred, should be expanded to include other countries in Central Europe.

3. That eligibility for compensation for war damages should not, as the bill provides, be confined to persons who were citizens of the United States at the time of loss, but should also extend to persons who were residents of the United States at the end of the war and who were citizens of the United States both at the time of the enactment of the law and the filing of their claims.

In my former testimony I went into great detail in discussing the first of these three recommendations. Today I should like to elaborate on the question of citizenship as an element of eligibility and to present a modification of our position on the question of place of loss as a factor in determining whether the claim for the war loss shall be compensable.

First to the question of citizenship.

The bill, as worded, makes United States citizenship as of the date of the loss a prerequisite to recovery. As I indicated in my previous testimony, this requirement is generally considered a sine quo non in the case of the claim of an individual against a foreign government. Because an individual cannot prosecute a claim against a foreign government, he must turn to a state to espouse his claim. By the application of a legal fiction, the injury to a person is deemed to be an injury to the state of which he is a citizen and his state prosecutes the claim on his behalf. Since even legal fictions must have some basis in rationality, the rule in international claims has grown up that a state will not espouse a claim unless the person asserting it was a citizen of that state at the time of the loss—otherwise the theory that the state had been injured when the person sustained the loss would have no validity.

We feel that this rule has no application in the war damage claims compensable under S. 2227. The claims are not claims against a foreign government. In fact, they are against no government. They are claims which the United States, in the exercise of its sovereign powers, may decide to honor, for good reasons, bad reasons, or no reasons. If I were to assign a good motive for the kind of legislation contemplated by S. 2227 I would say that it is to equalize the burdens of war among those toward whom our Government feels some responsibility or sympathy.

In these circumstances, the Congress, in fixing eligibility, is not fettered by the rule that it must restrict recovery to persons who were citizens of the United States at the time of loss. Honoring claims which the Congress, in its sole and exclusive discretion, chooses to honor, and appropriating taxpayers' money to pay the claims, it can permit itself to be as just as it wants to be.

That is precisely what Great Britain did in the disposition of moneys which it received from Czechoslovakia in settlement of British nationalization claims.

On September 28, 1949, Great Britain entered into an agreement with Czechoslovakia pursuant to which Czechoslovakia paid Great Britain 8 million pounds sterling "in final settlement * * * of claims with respect to British property, rights, and interests affected by various Czechoslovak measures of nationalization. * * *". Article 1 of the agreement defined "British property" as property owned by British nationals on the date of the agreement and "at the date of the relevant Czechoslovak measures" [in other words, at the date of loss]. Despite this clear-cut provision in the agreement, the foreign compensation bill of 1950, enacted by the British Parliament and the order in council promulgated pursuant to that bill provided that persons who were British citizens either on the date of the official decree of confiscation, the date of the physical dispossession, or on the date of the agreement, were eligible to participate in the fund. Referring to the disparity between the provisions in the foreign compensation bill of 1950 and the agreement with Czechoslovakia, the Secretary of State for Foreign Affairs reported to Parliament as follows: "These provisions follow in general

those of the agreements [the plural was used because the reference is to an agreement with Yugoslavia as well], but it is not practicable to follow the agreements entirely because they were drafted for the purpose of making settlements with foreign governments and not for the purpose of application as municipal legislation." In other words, in settling the nationalization claims with Czechoslovakia, Great Britain could assert the claims only of its citizens at the time of loss, but in distributing the bulk amount under its domestic law, it felt free to distribute the money as it chose, and, finding it equitable to do so, made the fund available to persons who were citizens at the time of the agreement—a much later date than the date of the loss.

American precedent for our point of view is found in the legislative history of the International Claims Settlement Act of 1949, the act which implemented the agreement with Yugoslavia under which the United States received \$17 million in settlement of nationalization claims of United States citizens arising out of nationalization of their property in Yugoslavia. The act as passed by the Senate provided that persons who were citizens of the United States at the time of the enactment of the law should be eligible to participate in the Yugoslav fund. It was only in conference that the Senate yielded to the House version which limited recovery to persons who were citizens at the time of taking. I cite this example only to show that there are no legal obstacles against the broadening of the rule of eligibility to include persons who were citizens at the time of the enactment of the law.

Since there are no legal obstacles to the rule of eligibility proposed by us, permit me to repeat that considerations of justice demand that persons who were residents of the United States at the end of the war and citizens of the United States at the date of the enactment of the law should be eligible to compensation for the war losses they sustained. By adopting our recommendation, the Congress would be honoring the claims of persons who had contributed to the war effort, whose sons had served in the Armed Forces of the United States, who, as taxpayers, had contributed to the fund which is used as the source for the payment of the claims, and who, by virtue of having relinquished their former citizenship, have no government other than our own to turn to for compensation.

Now to the question of place of loss as an element of eligibility.

In my previous appearance before this subcommittee, we recommended that S. 2227 be amended to add other countries in Central Europe to those listed in the bill where the loss, to be compensable, must have occurred. In a reexamination of this question, we became convinced that our earlier recommendation did not go far enough.

In this connection, it is necessary to bear in mind that the funds which will be used to pay the war-damage claims compensable under S. 2227 are funds which were provided for by the American taxpayer. The fact that the funds will, under the bill, not be available for the payment of the claims until Germany has repaid the \$100 million out of the postwar loan advanced to her does not alter the fact that the funds come from the pockets of the American taxpayer. Once this point is established, it becomes clear that to honor the claims of Americans who lost property in some of the countries of the European theater of operations and to ignore the claims of persons who sustained losses in other European countries and in China, Hong Kong, Burma, North Africa, etc., is discriminatory and is not in keeping with the traditional American policy of equal treatment for all citizens.

Under the War Claims Act of 1948 the War Claims Commission, the predecessor of the Foreign Claims Settlement Commission, was charged with the responsibility of preparing a report on war claim arising out of World War II and of submitting its recommendations to the Congress as to how these claims should be handled. Pursuant to this mandate, the War Claims Commission submitted two reports. The second of the two, to which I referred at the outset, was the more comprehensive. In that report the Commission made a series of recommendations which, if implemented, would have treated all citizens who had sustained war losses equally. Specifically, it recommended a comprehensive war damage bill under which war losses wherever sustained, would be compensable and deductions would be made of the amounts the claimants recover from countries in which local compensation is provided. Under this general formula, it would be assured that no citizen would secure an advantage over another, unless the person was fortunate enough to have recovered from the country in which he sustained his loss a sum in excess of his pro-rata share of the amount appropriated by the Congress.

To the extent that S. 2227 does not follow the recommendations of the War Claims Commission's supplementary report, it does not only fail to come to grips with the outstanding problem of World War II war claims, but is basically an unjust measure.

I must, in all candor before this committee, say that the bill in its present form is a razzle-dazzle bill. It provides for the return to former enemy nationals property up to the sum of \$10,000 taken under the Trading With the Enemy Act; perhaps to make this return palatable to those who would oppose such return without taking care of American claimants who had sustained losses which they had expected to be satisfied out of the enemy assets, it christens tax money which the American Government is going to get back from the German Government as "The German Claims Fund" (as though the funds were really provided by Germany); and it makes this tax money available for the payment of claims only for losses sustained in and about Germany, thus perpetuating the impression that the money comes from Germany and, therefore, should be used only to compensate losses for which Germany has some responsibility.

We cannot see how the Congress of the United States will, if it enacts S. 2227 substantially in its present form, be able to resist the arguments of hundreds, perhaps thousands, of American citizens whom the bill completely ignores. Who are they? American civilian citizens who sustained personal injuries in the war; the survivors of American civilian citizens who died in the war; citizens who sustained losses in the Far East, in north Africa, and in countries in central Europe other than those specifically mentioned in S. 2227; persons fleeing from persecution of our enemy whom we admitted to our shores before and during the war and who are now citizens of the United States, and citizens whose recovery under the laws of the countries in which they sustained losses, is less than that an American citizen may recover under S. 2227.

Because we eventually get around to do the right thing I am confident that by piecemeal legislation, the inequities in S. 2227 will eventually be ironed out. However, it must be pointed out that the American people have waited more than 11 years since the cessation of hostilities for a comprehensive war damage bill which will deal with the whole problem of outstanding war claims at one time. Because of the inadequacies that we have tried to point out, the bill which we understand is an administration measure, cannot help but be a disappointment to those who look to Congress for a law which is both comprehensive and just.

To convert S. 2227 into a war damage compensation bill which will be both comprehensive and just, it should, in our judgment, be amended to:

- (1) Provide compensation for personal injury sustained by American civilian citizens as a result of hostilities;
- (2) provide compensation to the survivors of American civilian citizens who lost their lives as a result of hostilities;
- (3) provide uniform compensation for property losses, as a result of hostilities, sustained by American citizens, irrespective of the country where the loss was sustained, and to equalize the compensation, to further provide that compensation received under foreign or domestic legislation for the same types of claims shall be deducted from the first payments due under the law to be enacted;
- (4) provide that persons who were residents of the United States at the end of the war and who are citizens of the United States at the date of the enactment of the law shall be entitled to recover for damage to property which they sustained as a result of hostilities.

Obviously, we repeat our recommendation that persons adjudged "major offenders" by denazification tribunals shall not be beneficiaries of the act of grace on the part of our Government, which act of grace would be represented in a decision to return property sequestered under the Trading With the Enemy Act.

On behalf of the American Jewish Congress I want to thank you for the opportunity you gave it to put its views before you.

Senator LANGER. Call your next witness.

Mr. WOOD. There is a gentleman here from Cincinnati, Mr. Julius Szasz. Did you appear last time? Did you not appear at the last hearing?

Mr. SZASZ. Yes, sir.

Public Law 87-846

AN ACT

To amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses.

October 22, 1962
[H. R. 7283]

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

War Claims
Act of 1948,
amendment.

TITLE I

SECTION 101. That the War Claims Act of 1948, as amended, is further amended by inserting after section 1 thereof the following:

62 Stat. 1240.
50 USC app.
2001 note.

"TITLE I"

SEC. 102. The word "Act" wherever it appears in title I except in section 13 (a) in reference to the War Claims Act of 1948, as amended, is amended to read "title".

50 USC app.
2012.

SEC. 103. The War Claims Act of 1948, as amended, is further amended by adding at the end thereof the following:

"TITLE II

"DEFINITIONS

"SEC. 201. As used in this title the term or terms—

"(a) 'Albania', 'Austria', 'Czechoslovakia', 'the Free Territory of Danzig', 'Estonia', 'Germany', 'Greece', 'Latvia', 'Lithuania', 'Poland', and 'Yugoslavia', when used in their respective geographical senses, mean the territorial limits of each such country or free territory, as the case may be, in continental Europe as such limits existed on December 1, 1937.

"(b) 'Commission' means the Foreign Claims Settlement Commission of the United States established pursuant to Reorganization Plan Numbered 1 of 1954 (68 Stat. 1279).

"(c) 'National of the United States' means (1) a natural person who is a citizen of the United States, (2) a natural person who, though not a citizen of the United States, owes permanent allegiance to the United States, and (3) a corporation, partnership, unincorporated body, or other entity, organized under the laws of the United States, or of any State, the Commonwealth of Puerto Rico, the District of Columbia, or any possession of the United States and in which more than 50 per centum of the outstanding capital stock or other proprietary or similar interest is owned, directly or indirectly, by persons referred to in clauses (1) and (2) of this subsection. It does not include aliens.

"(d) 'Property' means real property and such items of tangible personalty as can be identified and evaluated.

5 USC 1332-15
note.
3 CFR 1954-
1958 Comp.

"CLAIMS AUTHORIZED

"SEC. 202. The Commission is directed to receive and to determine according to the provisions of this title the validity and amount of claims of nationals of the United States for—

"(a) loss or destruction of, or physical damage to, property located in Albania, Austria, Czechoslovakia, the Free Territory of Danzig, Estonia, Germany, Greece, Latvia, Lithuania, Poland, or Yugoslavia, or in territory which was part of Hungary or Rumania on December 1, 1937, but which was not included in such countries on September 15, 1947, which loss, destruction,

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*The \$500,000
figure, p. 1114*

"TRANSFER OF RECORDS

"SEC. 216. The Secretary of State is authorized and directed to transfer or otherwise make available to the Commission such records and documents relating to claims authorized by this title as may be required by the Commission in carrying out its functions under this title.

"ADMINISTRATIVE EXPENSES

"SEC. 217. There are hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated such sums as may be necessary (but not to exceed the total covered into the Treasury to the credit of miscellaneous receipts under section 39 subsection (d) of the Trading With the Enemy Act) to enable the Commission and the Treasury Department to pay their administrative expenses in carrying out their respective functions under this title."

SEC. 104. (a) Section 2 of the War Claims Act of 1948, as amended, is amended by adding at the end thereof the following:

"(d) The term of office of members of the Foreign Claims Settlement Commission holding office on the date of enactment of this subsection shall expire at the end of the one-year period which begins on such date, but during such one-year period each such member shall continue to hold office at the pleasure of the President. The President shall thereafter appoint, by and with the advice and consent of the Senate, three members of the Commission. The term of office of each member of the Commission shall be three years, except that of the members first appointed after the end of the one-year period which begins on the date of enactment of this subsection, one shall be appointed for a term of three years, one for a term of two years, and one for a term of one year."

(b) Nothing in this section shall be construed to preclude the reappointment as a member of the Foreign Claims Settlement Commission of any person holding office as a member of such Commission on the date of enactment of this Act.

TITLE II

SEC. 201. That the Trading With the Enemy Act, as amended, is amended as follows:

SEC. 202. Section 39 of the Trading With the Enemy Act is amended by adding at the end thereof the following new subsection:

"(d) The Attorney General is authorized and directed to cover into the Treasury from time to time for deposit in the War Claims Fund such sums from property vested in him or transferred to him under this Act as he shall determine in his discretion not to be required to fulfill obligations imposed under this Act or any other provision of law, and not to be the subject matter of any judicial action or proceeding. There shall be deducted from each such deposit 5 per centum thereof for expenses incurred by the Foreign Claims Settlement Commission and by the Treasury Department in the administration of title II of the War Claims Act of 1948. Such deductions shall be made before any payment is made pursuant to such title. All amounts so deducted shall be covered into the Treasury to the credit of miscellaneous receipts."

SEC. 203. Section 9(a) is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "Provided further, That upon a determination made by the President, in time of war or during any national emergency declared by the President, that the interest and welfare of the United States

62 Stat. 1246.
50 USC app. 39.

50 USC app.
2001.

Commission
members, terms
of office.

Appointment.

50 USC app. 39.

Arts, p. 1107.

50 USC app. 9.

Notice of sale.
Publication
in F. R.

require the sale of any property or interest or any part thereof claimed in any suit filed under this subsection and pending on or after the date of enactment of this proviso the Alien Property Custodian or any successor officer, or agency may sell such property or interest or part thereof, in conformity with law applicable to sales of property by him, at any time prior to the entry of final judgment in such suit. No such sale shall be made until thirty days have passed after the publication of notice in the Federal Register of the intention to sell. The net proceeds of any such sale shall be deposited in a special account established in the Treasury, and shall be held in trust by the Secretary of the Treasury pending the entry of final judgment in such suit. Any recovery of any claimant in any such suit in respect of the property or interest or part thereof so sold shall be satisfied from the net proceeds of such sale unless such claimant, within sixty days after receipt of notice of the amount of net proceeds of sale serves upon the Alien Property Custodian, or any successor officer or agency, and files with the court an election to waive all claims to the net proceeds, or any part thereof, and to claim just compensation instead. If the court finds that the claimant has established an interest, right, or title in any property in respect of which such an election has been served and filed, it shall proceed to determine the amount which will constitute just compensation for such interest, right, or title, and shall order payment to the claimant of the amount so determined. An order for the payment of just compensation hereunder shall be a judgment against the United States and shall be payable first from the net proceeds of the sale in an amount not to exceed the amount the claimant would have received had he elected to accept his proportionate part of the net proceeds of the sale, and the balance, if any, shall be payable in the same manner as are judgments in cases arising under section 1346 of title 28, United States Code. The Alien Property Custodian or any successor officer or agency shall, immediately upon the entry of final judgment, notify the Secretary of the Treasury of the determination by final judgment of the claimant's interest and right to the proportionate part of the net proceeds from the sale, and the final determination by judgment of the amount of just compensation in the event the claimant has elected to recover just compensation for the interest in the property he claimed."

50 USC app. 32.

SEC. 204. (a) Section 32 (h) is amended by striking out all that follows the first sentence in the first paragraph down through the third paragraph, and inserting in lieu thereof the following: "In the case of any organization not so designated before the date of enactment of this amendment, such organization may be so designated only if it applies for such designation within three months after such date of enactment.

"The President, or such officer as he may designate, shall, before the expiration of the one-year period which begins on the date of enactment of this amendment, pay out of the War Claims Fund to organizations designated before or after the date of enactment of this amendment pursuant to this subsection the sum of \$500,000. If there is more than one such designated organization, such sum shall be allocated among such organizations in the proportions in which the proceeds of heirless property were distributed, pursuant to agreements to which the United States was a party, by the Intergovernmental Committee for Refugees and successor organizations thereto. Acceptance of payment pursuant to this subsection by any such organization shall constitute a full and complete discharge of all claims filed by such organization pursuant to this section, as it existed before the date of enactment of this amendment.

The \$500,000
figure

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"No payment may be made to any organization designated under this section unless it has given firm and responsible assurances approved by the President that (1) the payment will be used on the basis of need in the rehabilitation and settlement of persons in the United States who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and (D) of subsection (a) (2) of this section; (2) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the payment made to it) and permit such examination of its books as the President, or such officer or agency as he may designate, may from time to time require; and (3) it will not use any part of such payment for legal fees, salaries, or other administrative expenses connected with the filing of claims for such payment or for the recovery of any property or interest under this section."

(b) The first sentence of section 33 of such Act is amended by striking out all that follows "whichever is later" and inserting a period.

50 USC app. 33.

(c) Section 39 of such Act is amended by adding at the end of subsection (b) the following new sentence: "Immediately upon the enactment of this sentence, the Attorney General shall cover into the Treasury of the United States, for deposit into the War Claims Fund, from property vested in or transferred to him under this Act, the sum of \$500,000 to make payments authorized under section 32(h) of this Act."

50 USC app. 39.

Sec. 205. At the end of the Act, as amended, add the following section:

50 USC app. 32.

"Sec. 40. (a) Subject to the provisions of subsection (b) hereof, all rights and interests of individuals in estates, trusts, insurance policies, annuities, remainders, pensions, workmen's compensation and veterans' benefits vested under this Act after December 17, 1941, which have not become payable or deliverable to or have not vested in possession in the Attorney General prior to December 31, 1961, are hereby divested: *Provided*, That the provisions of this section shall not affect the right of the Attorney General to retain all such property rights and interests and to collect all income which is payable to or vested in possession in him prior to December 31, 1961.

"(b) Nothing contained in this section shall divest or require the divestment of any portion of any such interest the beneficial owner of which is a natural person who has been convicted personally and by name by a court of competent jurisdiction of murder, ill treatment, or deportation for slave labor of prisoners of war, political opponents, hostages, or civilian population in occupied territories, or of murder or ill treatment of military or naval persons, or of plunder or wanton destruction without justified military necessity.

"(c) At the earliest practicable time after the effective date of this Act, the Attorney General shall transmit to the lawful owner or custodian of any interest divested by this section written notice of such divestment."

Sec. 206. At the end of the Act, as amended, add the following new section:

"Sec. 41. (a) Notwithstanding any statute of limitation, lapse of time, any prior decision by any court of the United States, or any compromise, release or assignment to the Alien Property Custodian, jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and report to the Congress concerning the claims against the United States for the proceeds received by the United States from the sale of the property vested under the provisions of the Trading With the Enemy Act by vesting order num-

50 USC app. 41.

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UNITED STATES STATUTES AT LARGE

CONTAINING THE

LAWS AND CONCURRENT RESOLUTIONS
ENACTED DURING THE SECOND SESSION OF THE
EIGHTY-SEVENTH CONGRESS
OF THE UNITED STATES OF AMERICA

1962

AND

REORGANIZATION PLAN, PROPOSED AMENDMENT
TO THE CONSTITUTION, AND PROCLAMATIONS

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VOLUME 76

TREASURY DEPARTMENT

IN ONE PART



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1963

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PART IV—REPORTS

401. Each war agency shall report to the Congress quarterly the name of each claimant to whom relief has been granted under the Act, together with the amount of such relief and a brief statement of the facts and the administrative decision. A copy of each such report to the Congress shall be transmitted to the Bureau of Internal Revenue.

PART V—ADMINISTRATION

501. The head of any agency may prescribe supplementary regulations for his agency consistent with the provisions of these Regulations and of the Act.

HARRY S. TRUMAN

THE WHITE HOUSE,
October 5, 1946.

EXECUTIVE ORDER 9787

AMENDMENT OF EXECUTIVE ORDER NO. 7747 OF NOVEMBER 20, 1937, AS AMENDED, ESTABLISHING THE SAN CLEMENTE ISLAND NAVAL DEFENSIVE SEA AREA¹

Executive Order No. 7747 of November 20, 1937, as amended by Executive Order No. 8536 of September 6, 1940,² is hereby amended to read as follows:

"By virtue of and pursuant to the authority vested in me by the provisions of section 44 of the Criminal Code, as amended (18 U. S. C. 96), the area of water surrounding San Clemente Island, California, extending from low-water mark out for a distance of three hundred yards beyond low-water mark, except in Wilson Cove, where it is to extend one hundred yards beyond low-water mark, and including that part of Pyramid Cove lying north of a line between a point one thousand yards south of China Point light and a point three hundred yards south of Whitewashed Rock, is hereby established as a defensive sea area for purposes of national defense, subject to the uses reserved for the Department of Commerce by Executive Order No. 6897 of November 7, 1934. The said area shall be known as the San Clemente Island Naval Defensive Sea Area.

"At no time shall vessels or other craft be navigated within the defensive sea area above defined except such as are authorized by the Secretary of the Navy.

¹ Tabulated in § 9.3 of Title 34.

² 3 CFR Cum. Supp.

"Any person violating the provisions of this order shall be subject to the penalties provided by law."

HARRY S. TRUMAN

THE WHITE HOUSE,
October 5, 1946.

EXECUTIVE ORDER 9788

TERMINATING THE OFFICE OF ALIEN PROPERTY CUSTODIAN AND TRANSFERRING ITS FUNCTIONS TO THE ATTORNEY GENERAL³

By virtue of the authority vested in me by the Constitution and statutes, including the Trading with the Enemy Act of October 6, 1917, 40 Stat. 411, as amended, and the First War Powers Act, 1941, 55 Stat. 838, as amended, and as President of the United States, it is hereby ordered, in the interest of the internal management of the Government, as follows:

1. The Office of Alien Property Custodian in the Office for Emergency Management of the Executive Office of the President, established by Executive Order No. 9095 of March 11, 1942,² is hereby terminated; and all authority, rights, privileges, powers, duties, and functions vested in such Office or in the Alien Property Custodian or transferred or delegated thereto are hereby vested in or transferred or delegated to the Attorney General, as the case may be, and shall be administered by him or under his direction and control by such officers and agencies of the Department of Justice as he may designate.

2. All property or interests vested in or transferred to the Alien Property Custodian or seized by him, and all proceeds thereof, which are held or administered by him on the effective date of this order are hereby transferred to the Attorney General.

3. All personnel, property, records, and funds of the Office of Alien Property Custodian are hereby transferred to the Department of Justice.

4. This order supersedes all prior Executive orders to the extent that they are in conflict with this order.

5. This order shall become effective on October 15, 1946.

HARRY S. TRUMAN

THE WHITE HOUSE,
October 14, 1946.

³ Noted in Chapter II of Title 8.

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SEP 6 1984

TREASURY DEPARTMENT

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of such seven-year period the Secretary shall proceed as promptly as practicable to dispose of any plants so constructed by sale to the highest bidder, or as may otherwise be directed by Act of Congress. Upon such sale, there shall be returned to any State or public agency which has contributed financial assistance under section 3 of this Act a proper share of the net proceeds of the sale.

Administration.

Sec. 5. The powers conferred on the Secretary of the Interior by this joint resolution shall be in addition to and not in derogation of the authority conferred on the Secretary by the Act of July 3, 1952, as amended (42 U. S. C. 1951-1958). The provisions of such Act, except as otherwise provided in this joint resolution, shall be applicable in the administration of this joint resolution.

Contracts.

Sec. 6. When appropriations have been made for the construction or operation and maintenance of any demonstration plant under this joint resolution, the Secretary may, in connection with such construction or operation and maintenance, enter into contracts for construction, for materials and supplies, and for miscellaneous services, which contracts may cover such periods of time as he shall consider necessary but under which the liability of the United States shall be contingent upon appropriations being available therefor. Unobligated appropriations heretofore made to carry out the Act of July 3, 1952 (60 Stat. 328), as amended (42 U. S. C. 1951 and following) shall be available for administrative and technical services, including travel expenses and the procurement of the services of experts, consultants, and organizations thereof in accordance with section 15 of the Act of August 2, 1946 (60 Stat. 806), as amended (5 U. S. C. 55a), in connection with carrying out the provisions of this joint resolution.

Appropriation.

Sec. 7. There are hereby authorized to be appropriated such sums, not in excess of \$10,000,000, as may be necessary to provide for the construction of the demonstration plants referred to in this joint resolution, together with such additional sums as may be necessary for the operation and maintenance of such plants, and the administration of the program authorized by this resolution.

Approved September 2, 1958.

Public Law 85-884

AN ACT

September 2, 1958
[H. R. 11668]

To amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended.

Trading With the
Enemy Act, amend-
ment.
62 Stat. 1246.
50 USC app. 39.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 39 of the Trading With the Enemy Act of October 6, 1917, as amended, is amended by adding at the end thereof the following new subsection:

“(c) The Attorney General is authorized and directed, immediately upon the enactment of this subsection, to cover into the Treasury of the United States, for deposit into the War Claims Fund, from property vested in or transferred to him under this Act, such sums, not to exceed \$3,750,000 in the aggregate, as may be necessary to satisfy unpaid awards heretofore or hereafter made under the War Claims Act of 1948, as amended. There is hereby authorized to be appropriated to the Attorney General such sums as may be necessary to replace the sums deposited by him pursuant to this subsection.”

Appropriations.

Approved September 2, 1958.

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UNITED STATES
STATUTES AT LARGE, V. 72
Pt. 1

CONTAINING THE

LAWS AND CONCURRENT RESOLUTIONS
ENACTED DURING THE SECOND SESSION OF THE
EIGHTY-FIFTH CONGRESS
OF THE UNITED STATES OF AMERICA

1958

AND

REORGANIZATION PLAN AND PROCLAMATIONS

VOLUME 72

IN TWO PARTS

PART 1

PUBLIC LAWS AND REORGANIZATION PLAN



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TREASURY DEPARTMENT

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1959

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JFK
Exec. Order

Executive Order 11086**AMENDMENT OF EXECUTIVE ORDER 10587¹ RELATING TO THE
ADMINISTRATION OF SECTION 32(h) OF THE TRADING WITH THE
ENEMY ACT**

By virtue of the authority vested in me by the Trading with the Enemy Act, as amended (50 U.S.C. App. 1 *et seq.*), and by section 301 of title 3 of the United States Code (65 Stat. 713), and as President of the United States, it is ordered that sections 1, 2 and 3 of Executive Order No. 10587 of January 13, 1955 (20 F.R. 361) are amended to read as follows:

"SECTION 1. The Jewish Restitution Successor Organization, a charitable membership organization incorporated under the laws of the State of New York, is hereby designated as successor in interest to deceased persons in accordance with and for the purposes of subsection (h) of section 32 of the Trading with the Enemy Act, as added by the Act of August 23, 1954 (68 Stat. 767), and amended by section 204(a) of Public Law 87-846, approved October 22, 1962 (76 Stat. 1114).

"SEC. 2. Exclusive of the designation of the Jewish Restitution Successor Organization under section 1 of this Order and the exercise

¹ 3 CFR, 1954-1958 Comp., p. 235; 20 F.R. 361.

E. O. 11087

Title 3--The President

E. O. 11087

of jurisdiction over the claims referred to in section 3, the Foreign Claims Settlement Commission is hereby delegated and shall carry out the functions provided for in subsection (h) of section 32 of the Trading with the Enemy Act, as amended, including the designation or refusal of designation of other organizations under the first sentence of that subsection, the payment of \$500,000 out of the War Claims Fund to the designated organization or organizations and all other powers, duties, authority and discretion vested in or conferred upon the President.

"Sec. 3. Jurisdiction over the claims filed by the Jewish Restitution Successor Organization with the Attorney General under subsection (h) of section 32 of the Trading with the Enemy Act prior to the amendment thereof by section 204(a) of Public Law 87-846 shall remain with the Attorney General pending the discharge of such claims by that organization's acceptance of payment pursuant to subsection (h), as amended, or other discharge of such claims pursuant to law."

JOHN F. KENNEDY

THE WHITE HOUSE,
February 26, 1963.

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The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. BALL. I withdraw the objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Naval Affairs, with an amendment, on page 7, in line 11, to strike out the period, and insert a colon and the following proviso: "Provided, That except as provided in subsections (b) and (c) hereof, no person to whom a return is made pursuant to this section, nor the successor in interest of such person, shall acquire or have any claim or right of action against the United States or any department, establishment, or agency thereof, or corporation owned thereby, or against any person authorized or licensed by the United States, founded upon the retention, sale, or other disposition, or use, during the period it was vested in the Alien Property Custodian, of the returned property, interest, or proceeds."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE OF CERTAIN LANDS WITHIN FORT DOUGLAS MILITARY RESERVATION

The Senate proceeded to consider the bill (S. 1535) to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children, which had been reported from the Committee on Military Affairs with amendments on page 1, line 4, to strike out "convey by quitclaim deed" and insert "convey under such terms and conditions as he may prescribe"; on the same page, line 7, after the word "to", to strike out "the following-described lands" and insert "seven and eight thousand eight hundred and fifty-four ten-thousandths acres of land, more or less"; and on page 2, beginning in line 3, to strike out:

Beginning at Monument Numbered 13 of the Fort Douglas Military Reservation, and running thence along the boundary line of the military reservation north no degrees no minutes forty seconds east five hundred and fifty-three and seventy-five one-hundredths feet; thence south seventy-five degrees nine minutes twelve seconds east seven hundred and eighty-three and eleven one-hundredths feet; thence south no degrees no minutes forty seconds west three hundred and fifty-three and seventy-five one-hundredths feet; thence along the boundary line of the military reservation north eighty-nine degrees fifty-seven minutes one second west seven hundred and fifty-seven feet to the point of beginning; containing seven and eight thousand eight hundred and fifty-four ten-thousandths acres.

So as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized and directed to convey under such terms and conditions as he may prescribe to the Shriners' Hospitals for Crippled Children, a Colorado corporation, all right, title, and interest of the United States in and to seven and eight thousand eight hundred and fifty-four ten-thousandths acres of land, more or less situated within the Fort Douglas Military Reservation, Utah.

Sec. 2. The lands conveyed pursuant to the provisions of the first section of this Act shall be used by the grantee as a location for a hospital for crippled children; and the deed of conveyance of such lands shall contain the express condition that if the grantee shall fail or cease to use such lands for such purposes, or shall alienate or attempt to alienate such lands, title thereto shall revert to the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADDITIONAL DISTRICT JUDGE, NORTHERN DISTRICT OF CALIFORNIA

The Senate proceeded to consider the bill (S. 1163) to provide for the appointment of 2 additional district judges for the northern district of California which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 4, after the word "Senate" to strike out "two additional district judges" and insert "one additional district judge", so as to make the bill read:

Be it enacted, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, one additional district judge for the District Court of the United States for the Northern District of California.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the appointment of one additional district judge for the northern district of California."

RESTORATION OF CERTAIN LANDS TO THE TERRITORY OF HAWAII

The Senate proceeded to consider the bill (S. 1109) to restore to the Territory of Hawaii certain lands designated under section 203, title II, as available within the meaning of the Hawaiian Homes Commission Act of 1920, as amended, which had been reported from the Committee on Territories and Insular Affairs with an amendment to insert at the end of the bill the following new section:

Sec. 2. Notwithstanding the foregoing provisions of this act, if at any time the Department of Commerce discontinues use of the above-described lands, such lands shall thereupon become available lands within the meaning of section 203 of title II of the Hawaiian Homes Commission Act, 1920, as amended.

So as to make the bill read:

Be it enacted, etc., That so much of section 203 of title II of the Hawaiian Homes Commission Act, 1920, as amended, as designates the land hereinafter described as available land within the meaning of that act, is hereby repealed and the land restored to its previous status under the control of the Territory of Hawaii.

Portion of Hawaiian homeland of Keaukaha, trace 2, Waialea, South Hilo, Island of Hawaii, Territory of Hawaii, as returned to the Commissioner of Public Lands of the Territory of Hawaii by resolution numbered 85 of the Hawaiian Homes Commission, dated July 18, 1944, and more particularly described as follows:

Beginning at a spike at the northwest corner of this tract of land and on the southeast corner of the intersection of Nene and Akepa Streets, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HALAI", being five

thousand two hundred and eight and one-hundredths feet north and two thousand eight hundred and eight six one-hundredths feet east, and by azimuths measured clockwise from south:

1. Two hundred and ninety degrees minutes five hundred and sixty-eight two one-hundredths feet a south side of Nene Street;

2. Thence along same as a curve left with a radius of one thousand feet and sixty-five and four-tenths chord azimuth and distance being: one hundred and sixty-eight degrees three minutes one thousand and seven and thirty one-hundredths feet;

3. Two hundred and forty-seven three minutes five hundred and nine and sixty-two one-hundredths feet same;

4. Three hundred and sixty degrees minutes one thousand two hundred thirty-seven and eighty-five one-hundredths feet;

5. Ninety degrees no minutes two one hundred and fifty-three and six one-hundredths feet;

6. One hundred and eighty degrees minutes one thousand one hundred seventy-three and four one-hundredths along the east side of the proposed line of Akepa Street to the point of beginning, and containing an area of five acres or less.

Sec. 2. Notwithstanding the foregoing provisions of this Act, if at any time the Department of Commerce discontinues use of above-described lands, such lands thereupon become available lands within the meaning of section 203 of title II of the Hawaiian Homes Commission Act, amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BENEFITS FOR CERTAIN POST OFFICE EMPLOYEES

The Senate proceeded to consider the bill (H. R. 4652) to provide credit for past service to substitute employment in the postal service when appointed in a regular position; to extend annual leave benefits to war service in substitute employees; to fix the compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; for other purposes, which had been reported from the Committee on Post Office and Post Roads with an amendment (S. 1109) to insert at the end of the bill the following:

Provided further, That upon appointment of a substitute employee to a regular position he shall not be placed in or promoted to a grade higher than the grade to which he would have progressed, including the credit authorized by section 23 of Public Law 1, approved July 6, 1945, had his original position been to a regular position. 1. And provided further, That employment shall not be allowed credit for service performed under temporary or war-service appointments except when such service is continuous to the date of appointment in a classified substitute or regular employment.

Sec. 2. Employees who have been separated from service of the Post Office Department and whose primary duty shall be given credit for the provisions of section 1 of this act for periods or terms of substitute service immediately preceding their entry into service and pro rata credit shall be given for the time engaged in military service. Employees who are reinstated to positions

We have the cooperation of the hemp manufacturers, and we should anticipate no real trouble.

Mr. RICH. We just want that assurance.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield to the gentleman from Kansas.

Mr. CARLSON. As the gentleman from Virginia knows, we in the committee reported out a very stringent bill and it passed the House. Do I correctly understand that it comes back here with provisions that weaken it?

Mr. ROBERTSON of Virginia. No, it does not affect our bill at all. This amendment amends the Marihuana Act, which was an act we had passed previously.

It grows out of the fact that the Narcotics Division of the Treasury Department issued a new and very stringent regulation affecting the raw hemp industry in this Nation. They said they could not operate under that regulation. This amendment gives them an opportunity to operate under certain supervision and safeguards which the Treasury reported to us they hoped would be adequate. The Treasury report was kind of a yes-and-no report which in a way justified the regulation and backed off of it at the same time.

Mr. CARLSON. That brings me to my point. We have taken this away from the Treasury Department and placed it in the hands of a board. Is that correct?

Mr. ROBERTSON of Virginia. No, no, we do not do that.

Mr. CARLSON. As I heard the reading of it, it was a new board.

Mr. ROBERTSON of Virginia. No; the Treasury still has control of the hemp industry with respect to the production and use of the drug.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield.

Mr. SMITH of Ohio. I am somewhat puzzled by a statement the gentleman made that the particular drugs are not designated, which means that those who will have control of this matter may decide what drugs to keep off the market. It seems to me that is giving pretty broad powers.

Mr. ROBERTSON of Virginia. That provision has unanimously passed both the House and Senate. The conference report only deals with this amendment offered by Senator LA FOLLETTE to take care of the hemp industry in about four Midwestern States. The drug provision was very carefully drawn and we have no objection from any doctor or any medical association or anybody else about it, but there was great support from a lot of sources to bring these habit-forming, synthetic drugs under control or else we might turn into a nation of drug addicts before we know it.

Mr. SMITH of Ohio. Of course, we do not want the Nation to turn into drug addicts. Nevertheless, there are drugs which are on the border line and to give this agency arbitrary power to decide a matter of that kind, it seems to me is giving it pretty broad powers. I should

like to register my protest against that sort of a proposition.

Mr. ROBERTSON of Virginia. I assure our distinguished colleague the gentleman from Ohio, Dr. SMITH, that he is unduly alarmed about what is going to be done under this bill.

Mr. Speaker, I move the previous question.

The previous question was ordered. The conference report was agreed to. A motion to reconsider was laid on the table.

AMENDING FIRST WAR POWERS ACT

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4571) to amend the First War Powers Act, 1941, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 7, line 11, after "proceeds", insert "Provided, That except as provided in subsections (b) and (c) hereof, no person to whom a return is made pursuant to this section, nor the successor in interest of such person, shall acquire or have any claim or right of action against the United States or any department, establishment, or agency thereof, or corporation owned thereby, or against any person authorized or licensed by the United States, founded upon the retention, sale, or other disposition, or use, during the period it was vested in the Alien Property Custodian, of the returned property, interest, or proceeds."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. SPRINGER. Mr. Speaker, reserving the right to object, may I say I do not intend to object, but am making this reservation so the gentleman from New York can make an explanation of the bill and the amendment for the benefit of the Members of the House.

Mr. CELLER. Mr. Speaker, this amendment has been approved by all departments interested, to wit, the Treasury Department, the Department of Justice, the Office of the Secretary of State, the Alien Property Custodian, and the Bureau of the Budget. The bill in the main provides that friendly aliens; that is, aliens of France, Belgium, Holland, and so forth, whose property was vested for protective purposes in the Alien Property Custodian might now get that property back. If they get their property back, for instance a patent, they should not have the right to bring action against the United States for an infringement of the patent.

In simple language, that is the purport of the Senate amendment.

Mr. SPRINGER. And that is the only provision the amendment contains?

Mr. CELLER. That is all.

Mr. SPRINGER. May I ask the gentleman if it is not true that the amendment is unanimously agreeable to the Committee on the Judiciary?

Mr. CELLER. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There was no objection.

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include an address he delivered at Valley Forge on Sunday.

Mr. OUTLAND asked and was given permission to extend his remarks in the RECORD and include a statement by several national organizations on the necessity for renewing price control.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal of February 21, 1946.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include a statement he made before a subcommittee of the Foreign Relations Committee with reference to the St. Lawrence seaway.

Mr. VINSON asked and was given permission to extend his remarks on the Case bill and to incorporate a letter from the Georgia Farm Bureau president.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include a letter from a veteran of World War II.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and incorporate an editorial from the Times-Herald of today.

Mr. LUDLOW asked and was given permission to extend his remarks in the RECORD in three instances—in one, to include an editorial from the Washington Post, and in another to include a statement he made before the House Committee on Post Offices and Post Roads this morning.

Mr. STEWART asked and was given permission to extend his remarks in the RECORD and include a letter from Floyd E. Kirby, a returned veteran from World War II.

Mr. ROBERTSON of Virginia asked and was given permission to extend his remarks in the RECORD, and insert an article by Henry W. McLaughlin entitled "A Remedy for Strikes."

Mr. ROMULO asked and was given permission to extend his remarks in the RECORD with reference to a Filipino war hero.

Mr. ROMULO asked and was given permission to insert in the RECORD a letter on the Filipino disabled veterans.

Mr. TIBBOTT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HENRY asked and was given permission to extend his remarks in the RECORD and include an editorial which appeared in the Wisconsin State Journal of Madison, Wis., February 22.

Mr. MASON asked and was given permission to extend his own remarks in the RECORD.

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No. 16

Senate

332806

(Legislative day of Friday, January 18, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, author of liberty, who hath made and preserved us a nation, may there be forever cherished in this shrine of freedom, and therefore be found in us who are here called to serve the Republic, those spiritual values which alone can bring order out of chaos and peace out of strife. May the shield of our own unyielding integrity be always lifted against the arrows of all that shuns the light and against all betrayal of justice and righteousness in a time when the world's hopes depend on character. In Thy providence for all the world may this "sweet land of liberty," with all its privilege and power, be the quarry where shall be fashioned the white stones of a new order whose "alabaster cities shall gleam undimmed by human tears." We ask it in the dear Redeemer's name. Amen.

ATTENDANCE OF SENATORS

HUGH B. MITCHELL, a Senator from the State of Washington; E. H. MOORE, a Senator from the State of Oklahoma; and JAMES M. TUNNELL, a Senator from the State of Delaware, appeared in their seats today.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Capehart	Gerry
Austin	Capper	Gossett
Bailey	Chaves	Green
Ball	Cordon	Gulley
Barkhead	Donnell	Gurney
Barkley	Downey	Hart
Elbo	Eastland	Hatch
Briggs	Ellender	Hayden
Burfield	Ferguson	Hickenlooper
Butler	Flanagan	Howe
Byrd	George	

Huffman	Moore	Stewart
Johnson, Colo.	Morse	Taft
Johnston, S. C.	Murdoch	Taylor
Keene	Murray	Thomas, Okla.
Knowland	Myers	Thomas, Utah
La Follette	O'Daniel	Tobey
Lange	Overton	Tunnell
Lucas	Pepper	Tydings
McCarran	Radcliffe	Walsh
McClellan	Reed	Wheeler
McFarland	Rivercomb	Wherry
McKellar	Robertson	White
McMahon	Russell	Wiley
Maybank	Saltonstall	Willis
Mead	Shipstead	Wilson
Millikin	Smith	Young
Mitchell	Stanfill	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANBARWS] and the Senator from Nevada [Mr. CARVILLE] are necessarily absent.

The Senator from Washington [Mr. MAGNUSON] is detained on public business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States attending the first session of the General Assembly of the United Nations, now being held in London.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a representative of the United States attending the first session of the General Assembly of the United Nations, now being held in London.

The Senator from New Hampshire [Mr. BUDGES], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], and the Senator from New Jersey [Mr. HAWKES] are necessarily absent.

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. STEWART obtained the floor. The PRESIDENT pro tempore. Before anything else is done, may the Chair ask that certain ordinary reports and routine matters be handed down and made of record? The Chair may also state there is other routine business which, if there is no objection, might be transacted at this time.

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON INSPECTION OF COAL MINES

A letter from the Secretary of the Interior, transmitting, pursuant to law, his report on the inspection of coal mines by the Bureau of Mines for the fiscal year 1945 (with an accompanying report); to the Committee on Mines and Mining.

JULY 1945 REPORT OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of the Corporation on its activities and expenditures for the month of July 1945, including statement of loans and other authorizations, showing the name, amount, and rate of interest or dividend in each case (with accompanying papers); to the Committee on Banking and Currency.

REPORT OF FEDERAL WORKS AGENCY

A letter from the Administrator of the Federal Works Agency, transmitting, pursuant to law, the sixth annual report of that agency for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Education and Labor.

REPORT OF UNITED STATES PUBLIC HEALTH SERVICE

A letter from the Administrator of the Federal Security Agency, transmitting, pursuant to law, the annual report of the United States Public Health Service for the fiscal year 1945 (with an accompanying report); to the Committee on Finance.

REPORT ON CERTAIN ACTION BY THE WAR SHIPPING ADMINISTRATION

A letter from the Acting Administrator of the War Shipping Administration, transmitting, pursuant to law, the twelfth report of certain action taken by the War Shipping Administration under section 817 of the Merchant Marine Act of 1938, as amended (with an accompanying report); to the Committee on Commerce.

BOARD OF VECTORS TO UNITED STATES MERCHANT MARINE ACADEMY

A letter from the Acting Administrator of the War Shipping Administration, transmitting, pursuant to law, that Friday, May 10, and Saturday, May 11, 1945, had been fixed as the dates for the visit of the Board of Vectors to the United States Merchant Marine Academy at Kings Point, N. Y.; to the Committee on Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of South Carolina; ordered to lie on the table.

"Concurrent resolution memorializing the Congress of the United States to discontinue the practice of the Fair Employment Practice Commission

"Be it resolved by the House of Representatives of the State of South Carolina (the Senate concurring), That it is the sense of the general assembly of this State that the objects of the Fair Employment Practice Commission are un-American and contrary to the spirit of free enterprise in that they tend to destroy individual initiative, adaptability, efficiency, and freedom in the selection of employees and substitute therefor the individual whims of a certain group, race, color, and creed; hence, we regard the practice as contrary to the spirit of our Federal Constitution, and respectfully petition the Senators of all sovereign States to kill the bill now pending in the Federal Congress which would continue the practices of the Commission.

"We laud the high and constant purpose which moves the Honorable BURNET R. MAYBANK and the Honorable OLIN D. JOHNSTON, the distinguished Senators from this State, the Members of Congress from this State, and all others alined with them in their unabated opposition to the practice sought to be imposed on the American people by the continuance of such a Commission; be it further

"Resolved, That copies of this resolution be furnished the clerk of the Senate of the United States, the clerk of the House of Representatives, and the two distinguished Senators from South Carolina.

"COLUMBIA, S. C., January 31, 1946."

A resolution adopted by the Territorial Central Committee of the Democratic Party of Hawaii, Honolulu, T. H., favoring the reappointment of Louis Le Baron as Associate Justice of the Supreme Court, Territory of Hawaii; to the Committee on the Judiciary.

A resolution adopted by the Territorial Central Committee of the Democratic Party of Hawaii, Honolulu, T. H., favoring the reappointment of Ingram M. Stainback as Governor of the Territory of Hawaii; to the Committee on the Judiciary.

By Mr. CAPPER:

A telegram in the nature of a memorial from Local Union 533, United Mine Workers of America, remonstrating against the enactment of the so-called fact-finding anti-strike bill; to the Committee on Education and Labor.

By Mr. JOHNSTON of South Carolina:

A concurrent resolution of the Legislature of South Carolina, favoring the enactment of the joint resolution (H. J. Res. 225) to quiet the titles of the respective States, and others, to lands beneath tidewaters and lands beneath navigable waters within the boundaries of such States and to prevent further clouding of such titles; to the Committee on the Judiciary.

(See concurrent resolution printed in full when presented by Mr. MAYBANK on February 1, 1946, p. 712, CONGRESSIONAL RECORD.)

By Mr. MAYBANK:

A concurrent resolution of the Legislature of South Carolina; to the Committee on Finance.

"Concurrent resolution requesting the Congress of the United States to pass necessary amendments to the GI bill of rights whereby veterans in accredited schools shall receive monthly benefits for each calendar month until their graduation or severance from said school

"Whereas under the present GI bill of rights veterans who are students in accred-

ited schools only receive benefits for themselves and their dependents during the actual school term; and

"Whereas these veterans have no opportunity to earn a decent livelihood during their vacation period; and

"Whereas the housing situation is so acute that married veterans are unable to change their residence after entering the school: Now, therefore, be it

"Resolved by the House of Representatives of the State of South Carolina (the Senate concurring), That it is the sense of the General Assembly of South Carolina that Congress be, and the same is hereby, memorialized to effect immediate amendments to the GI bill of rights so that all veterans who matriculate in institutions accredited by the Veterans' Administration shall receive monthly benefits for themselves and, in those cases where they have dependents, for such dependents, for each and every calendar month until their graduation from such accredited institution or school, or until they sever their connection with such institution or school by ceasing to be students of the same; be it further

"Resolved, That a copy of this resolution be sent to each of the Representatives in Congress from South Carolina, the President of the Senate of the United States, the chairman of the Judiciary Committee and the Military Affairs Committee of the United States Senate, to the Speaker of the House of Representatives, and a copy to the Judiciary Committee and Military Affairs Committee of the House of Representatives, and a copy to the Veterans' Administration.

"COLUMBIA, S. C., January 30, 1946."

RESOLUTIONS OF AMERICAN FARM BUREAU FEDERATION

Mr. CAPPER. Mr. President, I received copy of resolutions adopted by the American Farm Bureau Federation at their recent annual meeting in Chicago, in which they take an emphatic stand against compulsory military training in peacetime, and make known their position on other national measures, as follows:

Supported the United Nations Organization, Bretton Woods monetary agreements, International Food and Agriculture Organization.

Recommended study of the maintenance of an international organization "for the effective enforcement of peace," with powers "adequate to cope with the threat of destruction by the use of atomic bombs," without surrendering sovereignty of respective nations.

Recommended study of the advisability of an international police force supported by all nations as a means of insuring peace.

Favored long-term capital loans to other nations to increase productive and consumptive capacities of countries involved, to the largest practical extent by private capital with the Government supplementing only when private capital is not available. (However, this resolution said there are conditions, "such as the present loan to England, under which the long-time interest of this Nation is promoting world trade, maintaining desirable forms of government, and promoting our best international interest can be furthered by making direct governmental loans.")

The delegates also:

Asserted this Nation should furnish food and other necessities to devastated countries, with the cost considered as a war expenditure.

Recommended that the State Department and diplomatic staff be strengthened, with adequately trained personnel and policies designed to attract "outstanding ability into this important field."

Recommended that "this Nation place great emphasis upon the development of a clear-cut foreign policy on a nonpartisan basis."

Favored gradual reduction of international trade barriers.

Supported international commodity agreements and recommended expansion of this program.

Stated that "we believe the development of an aggressive foreign trade policy is one of the 'musts' of our postwar program."

On the national farm program itself, the delegates urged study of required improvements and modifications, including possible changes in commodity marketing; "unalterably opposed" unlimited production at ruinous prices which would "force the American farmer to depend permanently upon Government subsidies;" urged strengthening of the Agricultural Adjustment Act and related measures, and favored legislation to extend benefits of the Agricultural Marketing Agreements Act of 1937 to any agricultural commodity.

AMENDMENT OF FIRST WAR POWERS ACT—REPORT OF JUDICIARY COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I ask unanimous consent to report favorably with an amendment the bill (H. R. 4571) to amend the First War Powers Act, 1941, and I submit a report (No. 920) thereon. In that connection I wish to call the attention of the Senate to a letter from the Department of State, from which I read:

The Department welcomes this opportunity to reemphasize its strong endorsement of this bill. On June 29, 1945, the Acting Secretary of State joined with the Alien Property Custodian and the Attorney General in a letter to Chairman SUMNER of the House Judiciary Committee submitting a draft of H. R. 3750, which dealt with the same subject matter as the present bill, H. R. 4571, and requesting as a matter of urgency its early and favorable consideration. On September 12, 1945, Mr. Willard L. Thorp, Deputy to the Assistant Secretary of State, repeated this recommendation before Subcommittee No. 1 of the House Judiciary Committee. The Secretary of State in a letter of October 12, 1945, to Mr. SUMNER again gave the concurrence of the Department to H. R. 3750 and the amendments proposed by the Alien Property Custodian which are embodied in H. R. 4571. As you know, H. R. 4571 was reported and approved by the House Judiciary Committee with these amendments and passed the House of Representatives on December 8, 1945.

Other expressions endorsing the bill are filed in the report from the Attorney General.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate reports for the month of January 1946 from the chairmen of certain committees, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which were ordered to lie on the table and to be printed in the Record, as follows:

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to the House with such amendments as shall have been adopted and the previous question shall be considered or ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING THE FIRST WAR POWERS ACT OF 1941

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 428, Rept. No. 1317), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4571) to amend the First War Powers Act, 1941. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING THE INTERSTATE COMMERCE ACT

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 429) on the bill (H. R. 2536) to amend the Interstate Commerce Act with respect to certain agreements between carriers, which was referred to the House Calendar and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2536, to amend the Interstate Commerce Act, with respect to certain agreements between carriers, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

SAUNDERS MEMORIAL HOSPITAL

Mr. McGEHEE, from the Committee on Claims, submitted the following conference report and statement on the bill (S. 693) for the relief of Saunders Memorial Hospital, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the

amendments of the House to the bill (S. 693) entitled "An act for the relief of the Saunders Memorial Hospital", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment and the Senate agree to the same.

DAN R. McGEHEE,
J. M. COMBS,
JOHN JENNINGS, Jr.,

Managers on the Part of the House.

OLIN D. JOHNSTON,
KENNETH S. WHERRY,
ALLEN J. ELLENDER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 693) for the relief of Saunders Memorial Hospital, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report:

The bill as passed the Senate appropriated the sum of \$25,000 to Saunders Memorial Hospital as the result of losses sustained by such hospital for the failure of the United States Army Engineers Corps to carry out a contract to lease or purchase such hospital to the United States, for the duration of the present war and 6 months thereafter.

The House reduced the sum to \$10,000, and at the conference the original sum of \$25,000 was agreed upon as being the proper amount.

DAN R. McGEHEE,
J. M. COMBS,
JOHN JENNINGS, Jr.,

Managers on the Part of the House.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a letter from General Hawley, the Surgeon General of the Veterans' Administration.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks upon the appropriation for the veterans' hospitals, known as the Rankin amendment.

The SPEAKER pro tempore (Mr. McCORMACK). Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. McDONOUGH asked and was given permission to extend his remarks by including a statement by Mr. E. F. Scattergood of the department of water and power of Los Angeles.

Mr. GWYNNE of Iowa asked and was given permission to extend his remarks in the RECORD and include an article by Mr. Leib, and a newspaper article.

THIRTY-THIRD ANNIVERSARY OF INDEPENDENCE OF ALBANIA

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent, with the permission of those who have special orders, to proceed for 1 minute.

The SPEAKER pro tempore (Mr. MADDEN). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I feel it is appropriate to call to the attention of the House the fact that today, Wednesday, November 28, 1945, marks the thirty-third anniversary of Albania's independence.

As we know, Albania was the first nation to openly resist fascism and was suddenly attacked by Italy on Good Friday, April 1939. From that time until the time of their complete liberation 1 year ago, the Albanian people continued active resistance against the Axis. This struggle against overwhelming odds gave them new leaders to unify the struggle for freedom. The army of liberation and the present Government of the Albanian people, organized and led by Gen. Emer Hoxha, has the unqualified support of the Albanian people and Albanian Americans. Albania is a country that has fought fascism, nazism and totalitarianism in any form. Its people believe in the dignity and the personality of the individual. Its people are freedom-loving people. The people of Albania, a very individualistic people, have deeply rooted in their hearts and in their minds and traditions a strong desire to possess freedom and liberty and, under the law, to possess the rights of the individual.

I think it is appropriate on this occasion that in the Congress of the United States reference be made to the great struggle of the people of Albania. I know I express the sentiments of my colleagues when I express the strong hope that an independent government be established, and that the people of Albania for countless of generations, for ever more in the future, will enjoy independence of government, and liberty of the individual for which they have so strongly fought, and to which they are so rightly entitled.

EXTENSION OF REMARKS

Mr. PATTERSON asked and was given permission to extend his own remarks in the RECORD.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the Appendix.

Mr. FENTON asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today.

LABOR RELATIONS. COLLECTIVE BARGAINING

The SPEAKER pro tempore (Mr. MADDEN). Under the previous order of the House, the gentleman from Washington [Mr. SAVAGE] is recognized for 20 minutes.

Mr. SAVAGE. Mr. Speaker, recently the Committee on Military Affairs usurped the power of the Committee on Labor of the House and reported out the bill, H. R. 3937, dealing with labor and negotiations. The committee took this action on the premise that the war was still going on and that they were trying to help the war effort by crushing labor and preventing any strike action in industrial relations. It is pretty far fetched to usurp that kind of power now because the war is actually over and we are trying to get back to normal conditions.

The bill comprises two sections and I shall deal with each. The first section of the bill is important in that it prevents collective political action; for instance, prevents workers through their unions from making any contributions to any kind of political campaign, either primary or general. However, H. R. 3937.

and Saratoga Counties, N. Y., or to either of them, or any agency representing said counties, to construct, maintain, and operate a free highway bridge across the Hudson River between the city of Mechanicville and Hemstreet Park in the town of Schaghticoke, N. Y.," approved April 2, 1941, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1248) to establish a Bureau of Scientific Research, and for other purposes, was announced as next in order.

Mr. REVERCOMB. Over.

The PRESIDENT pro tempore. The bill will be passed over.

TRANSFER OF FISH HATCHERY IN COMANCHE COUNTY, OKLA.

The bill (S. 396) providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey to the city of Lawton, Okla., all of the right, title, and interest of the United States in and to the fish hatchery property which is located south of such city in Comanche County, Okla., and which is now under the control of the Department of the Interior.

MANUFACTURE AND SUPPLY OF ELECTRIC CURRENT IN THE COUNTY OF HAWAII

The bill (H. R. 3657) to ratify and confirm Act 32 of the Session Laws of Hawaii, 1945, was considered, ordered to a third reading, read the third time, and passed.

ISSUE OF REVENUE BONDS FOR HAWAII

The bill (H. R. 3614) to ratify and confirm Act 33 of the Session Laws of Hawaii, 1945, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945, was considered, ordered to a third reading, read the third time, and passed.

REVENUE BONDS FOR PUBLIC-WORKS PURPOSES IN ALASKA

The bill (H. R. 3580) to authorize municipalities and public utility districts in the Territory of Alaska to issue revenue bonds for public-works purposes was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 2716) to provide for health programs for Government employees was announced as next in order.

Mr. REVERCOMB (and other Senators). Over.

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

Mr. MURDOCK subsequently said: Mr. President, I was called from the Chamber and was not present when House bill 2716 was reached. I thought that I would be back in the Chamber in ample time to ask that the bill be passed over. I have an amendment which I should like to offer to the bill.

The PRESIDENT pro tempore. The bill was passed over on objection by the

Senator from West Virginia [Mr. REVERCOMB].

Mr. MURDOCK. Very well.

JAMES F. DESMOND

The bill (S. 286) for the relief of James F. Desmond was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Postmaster General and the General Accounting Office are authorized and directed to credit the accounts of James F. Desmond, postmaster at Reading, Mass., in the sum of \$7,141.11, representing the net shortage which resulted from embezzlement of funds by the former assistant postmaster at the Reading, Mass., post office.

EASEMENT TO PORTIONS OF NORFOLK NAVY YARD, PORTSMOUTH, VA.

The bill (S. 1710) to authorize the Secretary of the Navy to grant and convey to the Virginia Electric & Power Co. a perpetual easement in two strips of land comprising portions of the Norfolk Navy Yard, Portsmouth, Va., and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to grant and convey by quitclaim deed under such conditions as he may approve, to Virginia Electric & Power Co., a corporation organized and existing under and by virtue of the laws of the Commonwealth of Virginia, without cost to said corporation, a perpetual easement in two strips of land, each 20 feet in width, and 414 feet in length and 663 feet in length, respectively, containing 0.494 of an acre of land, more or less, comprising portions of the salvage yard, and the public works storage lot, Norfolk Navy Yard, Portsmouth, Va., for the construction, maintenance, operation, renewal, replacement, and repair of electric power transmission and distribution lines consisting of poles, wires, cables, and other fixtures and appurtenances incidental thereto, the metes and bounds descriptions of which are on file in the Navy Department.

SEC. 2. The Secretary of the Navy, in consideration of the transfer to the United States by Virginia Electric & Power Co. title to certain equipment consisting of poles, wires, cross arms, insulators, and other incidental materials, is further authorized to transfer, under such conditions as he shall approve, to said Virginia Electric & Power Co., without cost to said corporation, all of the right, title, and interest of the United States of America in two electric cables, each three-conductor, 350,000 circular mils, 11,000-volt, and each 3,910 feet in length, which are installed within two conduits of the United States of America, constructed in and upon a strip of land comprising a part of the Norfolk Navy Yard, Portsmouth, Va.; and the Secretary of the Navy is further authorized to grant and convey, under such conditions as he may approve, to Virginia Electric & Power Co., without cost to said corporation, a perpetual easement to maintain, operate, renew, replace, and repair the aforesaid electric cables within said conduits, the metes and bounds description of the location of which is on file in the Navy Department.

CHIEF OF CHAPLAINS, UNITED STATES NAVY

The bill (S. 1738) to establish a Chief of Chaplains in the United States Navy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there shall be in the Bureau of Naval Personnel a Chief of

Chaplains, designated by the Chief of Naval Personnel from among officers of the Chaplains Corps of the Regular Navy not below the rank of commander; and that such officer shall, while so serving, have the rank of rear admiral and shall receive the pay and allowances provided by law for rear admirals of the lower half.

REIMBURSEMENT FOR PERSONAL PROPERTY LOST AT FIRES AT NAVY SHORE ACTIVITIES

The bill (S. 1739) to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires which occurred at various Navy shore activities was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed \$1,741.95, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain Navy personnel and former Navy personnel for the value of personal property lost or damaged as the result of fires occurring in a drill hall hangar and Quonset hut, naval air station, Pasco, Wash., on February 27, 1945; in Quonset hut, United States Naval Receiving Station, Navy 128, on July 15, 1945; in building 178 at Scout Observation Service Unit 1, Navy 128, on July 27, 1945: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

AMENDMENT OF FIRST WAR POWERS ACT, 1941

The bill (H. R. 4571) to amend the First War Powers Act, 1941, was announced as next in order.

Mr. BALL. Over.

The PRESIDENT pro tempore. Objection is heard.

Mr. McCARRAN. Mr. President, will the Senator who made the objection withhold it for a moment. I wonder whether an explanation will suffice at this time.

Mr. BALL. I objected only because when I looked over the bill, it seemed to be a rather extensive measure relating to property held by the Alien Property Custodian, and I thought the bill should not be passed during consideration of the Consent Calendar.

Mr. McCARRAN. Let me say that the bill comes here with the recommendation of the Alien Property Custodian and the Department of Justice. It provides that property taken under the First War Powers Act or under the Trading With the Enemy Act from those who were not enemies of this country, but who happened to be in enemy territory at the time, should now be returned to them. The bill further provides that they shall have no claim against the Government for the withholding of the properties up to this time. That, in brief, is what the bill provides.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. BALL. I withdraw the objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Naval Affairs, with an amendment, on page 7, in line 11, to strike out the period, and insert a colon and the following proviso: "Provided, That except as provided in subsections (b) and (c) hereof, no person to whom a return is made pursuant to this section, nor the successor in interest of such person, shall acquire or have any claim or right of action against the United States or any department, establishment, or agency thereof, or corporation owned thereby, or against any person authorized or licensed by the United States, founded upon the retention, sale, or other disposition, or use, during the period it was vested in the Alien Property Custodian, of the returned property, interest, or proceeds."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE OF CERTAIN LANDS WITHIN FORT DOUGLAS MILITARY RESERVATION

The Senate proceeded to consider the bill (S. 1535) to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children, which had been reported from the Committee on Military Affairs with amendments on page 1, line 4, to strike out "convey by quitclaim deed" and insert "convey under such terms and conditions as he may prescribe"; on the same page, line 7, after the word "to", to strike out "the following-described lands" and insert "seven and eight thousand eight hundred and fifty-four ten-thousandths acres of land, more or less"; and on page 2, beginning in line 3, to strike out:

Beginning at Monument Numbered 13 of the Fort Douglas Military Reservation, and running thence along the boundary line of the military reservation north no degrees no minutes forty seconds east five hundred and fifty-three and seventy-five one-hundredths feet; thence south seventy-five degrees nine minutes twelve seconds east seven hundred and eighty-three and eleven one-hundredths feet; thence south no degrees no minutes forty seconds west three hundred and fifty-three and seventy-five one-hundredths feet; thence along the boundary line of the military reservation north eighty-nine degrees fifty-seven minutes one second west seven hundred and fifty-seven feet to the point of beginning; containing seven and eight thousand eight hundred and fifty-four ten-thousandths acres.

So as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized and directed to convey under such terms and conditions as he may prescribe to the Shriners' Hospitals for Crippled Children, a Colorado corporation, all right, title, and interest of the United States in and to seven and eight thousand eight hundred and fifty-four ten-thousandths acres of land, more or less situated within the Fort Douglas Military Reservation, Utah.

Sec. 2. The lands conveyed pursuant to the provisions of the first section of this Act shall be used by the grantee as a location for a hospital for crippled children; and the deed of conveyance of such lands shall contain the express condition that if the grantee shall fail or cease to use such lands for such purposes, or shall alienate or attempt to alienate such lands, title thereto shall revert to the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADDITIONAL DISTRICT JUDGE, NORTHERN DISTRICT OF CALIFORNIA

The Senate proceeded to consider the bill (S. 1163) to provide for the appointment of 2 additional district judges for the northern district of California which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 4, after the word "Senate" to strike out "two additional district judges" and insert "one additional district judge", so as to make the bill read:

Be it enacted, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, one additional district judge for the District Court of the United States for the Northern District of California.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the appointment of one additional district judge for the northern district of California."

RESTORATION OF CERTAIN LANDS TO THE TERRITORY OF HAWAII

The Senate proceeded to consider the bill (S. 1109) to restore to the Territory of Hawaii certain lands designated under section 203, title II, as available within the meaning of the Hawaiian Homes Commission Act of 1920, as amended, which had been reported from the Committee on Territories and Insular Affairs with an amendment to insert at the end of the bill the following new section:

Sec. 2. Notwithstanding the foregoing provisions of this act, if at any time the Department of Commerce discontinues use of the above-described lands, such lands shall thereupon become available lands within the meaning of section 203 of title II of the Hawaiian Homes Commission Act, 1920, as amended.

So as to make the bill read:

Be it enacted, etc., That so much of section 203 of title II of the Hawaiian Homes Commission Act, 1920, as amended, as designates the land hereinafter described as available land within the meaning of that act, is hereby repealed and the land restored to its previous status under the control of the Territory of Hawaii.

Portion of Hawaiian homeland of Keaukaha, trace 2, Waiakea, South Hilo, island of Hawaii, Territory of Hawaii, as returned to the Commissioner of Public Lands of the Territory of Hawaii by resolution numbered 85 of the Hawaiian Homes Commission, dated July 18, 1944, and more particularly described as follows:

Beginning at a spike at the northwest corner of this tract of land and on the southeast corner of the intersection of Nene and Akepa Streets, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HALAI", being five

thousand two hundred and eight and one-hundredths feet north and two thousand eight hundred and eighty-six one-hundredths feet east, and by azimuths measured clockwise from south:

1. Two hundred and ninety degrees minutes five hundred and sixty-eight two one-hundredths feet a south side of Nene Street;

2. Thence along same as a curve left with a radius of one thousand feet and sixty-five and four-tenths chord azimuth and distance being: one hundred and sixty-eight degrees thirty minutes one thousand and thirty one-hundredths feet;

3. Two hundred and forty-seven three minutes five hundred and six and sixty-two one-hundredths feet same;

4. Three hundred and sixty degrees minutes one thousand two hundred thirty-seven and eighty-five one-hundredths feet;

5. Ninety degrees no minutes two and one hundred and fifty-three and six one-hundredths feet;

6. One hundred and eighty degrees minutes one thousand one hundred seventy-three and four one-hundredths along the east side of the proposed line of Akepa Street to the point of beginning, and containing an area of five acres or more or less.

Sec. 2. Notwithstanding the foregoing provisions of this Act, if at any time the Department of Commerce discontinues use of above-described lands, such lands thereupon become available lands within the meaning of section 203 of title II of the Hawaiian Homes Commission Act, as amended.

The amendment was agreed to.

The bill was ordered to be read for a third reading, read the third time, and passed.

BENEFITS FOR CERTAIN POST OFFICE EMPLOYEES

The Senate proceeded to consider the bill (H. R. 4652) to provide credit for past service to substitute employees of the postal service when appointed in a regular position; to extend annual leave benefits to war service in substitute employees; to fix the compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; and for other purposes, which had been reported from the Committee on Post Office and Post Roads with an amendment to insert at the end of the bill the following:

Provided further, That upon appointment of a substitute employee to a regular position he shall not be placed in or promoted to a grade higher than the grade to which he would have progressed, including the time authorized by section 23 of Public Law 1 approved July 6, 1945, had his original appointment been to a regular position in that grade. *And provided further*, That credit shall not be allowed for service performed under temporary or war service appointments except when such service is continuous to the date of appointment as a classified substitute or regular employee.

Sec. 2. Employees who have been separated from service of the Post Office Department in a regular position shall be given credit for the provisions of section 1 of this act for periods or terms of substitute service immediately preceding their entry into service and pro rata credit shall be given for the time engaged in military service for which they are reinstated to position.

We have the cooperation of the hemp manufacturers, and we should anticipate no real trouble.

Mr. RICH. We just want that assurance.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield to the gentleman from Kansas.

Mr. CARLSON. As the gentleman from Virginia knows, we in the committee reported out a very stringent bill and it passed the House. Do I correctly understand that it comes back here with provisions that weaken it?

Mr. ROBERTSON of Virginia. No, it does not affect our bill at all. This amendment amends the Marihuana Act, which was an act we had passed previously.

It grows out of the fact that the Narcotics Division of the Treasury Department issued a new and very stringent regulation affecting the raw hemp industry in this Nation. They said they could not operate under that regulation. This amendment gives them an opportunity to operate under certain supervision and safeguards which the Treasury reported to us they hoped would be adequate. The Treasury report was kind of a yes-and-no report which in a way justified the regulation and backed off of it at the same time.

Mr. CARLSON. That brings me to my point. We have taken this away from the Treasury Department and placed it in the hands of a board. Is that correct?

Mr. ROBERTSON of Virginia. No, no, we do not do that.

Mr. CARLSON. As I heard the reading of it, it was a new board.

Mr. ROBERTSON of Virginia. No; the Treasury still has control of the hemp industry with respect to the production and use of the drug.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield.

Mr. SMITH of Ohio. I am somewhat puzzled by a statement the gentleman made that the particular drugs are not designated, which means that those who will have control of this matter may decide what drugs to keep off the market. It seems to me that is giving pretty broad powers.

Mr. ROBERTSON of Virginia. That provision has unanimously passed both the House and Senate. The conference report only deals with this amendment offered by Senator LA FOLLETTE to take care of the hemp industry in about four Midwestern States. The drug provision was very carefully drawn and we have no objection from any doctor or any medical association or anybody else about it, but there was great support from a lot of sources to bring these habit-forming, synthetic drugs under control or else we might turn into a nation of drug addicts before we know it.

Mr. SMITH of Ohio. Of course, we do not want the Nation to turn into drug addicts. Nevertheless, there are drugs which are on the border line and to give this agency arbitrary power to decide a matter of that kind, it seems to be giving it pretty broad powers. I should

like to register my protest against that sort of a proposition.

Mr. ROBERTSON of Virginia. I assure our distinguished colleague the gentleman from Ohio, Dr. SMITH, that he is unduly alarmed about what is going to be done under this bill.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to. A motion to reconsider was laid on the table.

AMENDING FIRST WAR POWERS ACT

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4571) to amend the First War Powers Act, 1941, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 7, line 11, after "proceeds", insert: "Provided, That except as provided in subsections (b) and (c) hereof, no person to whom a return is made pursuant to this section, nor the successor in interest of such person, shall acquire or have any claim or right of action against the United States or any department, establishment, or agency thereof, or corporation owned thereby, or against any person authorized or licensed by the United States, founded upon the retention, sale, or other disposition, or use, during the period it was vested in the Alien Property Custodian, of the returned property, interest, or proceeds."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. SPRINGER. Mr. Speaker, reserving the right to object, may I say I do not intend to object, but am making this reservation so the gentleman from New York can make an explanation of the bill and the amendment for the benefit of the Members of the House.

Mr. CELLER. Mr. Speaker, this amendment has been approved by all departments interested, to wit, the Treasury Department, the Department of Justice, the Office of the Secretary of State, the Alien Property Custodian, and the Bureau of the Budget. The bill in the main provides that friendly aliens; that is, aliens of France, Belgium, Holland, and so forth, whose property was vested for protective purposes in the Alien Property Custodian might now get that property back. If they get their property back, for instance a patent, they should not have the right to bring action against the United States for an infringement of the patent.

In simple language, that is the purport of the Senate amendment.

Mr. SPRINGER. And that is the only provision the amendment contains?

Mr. CELLER. That is all.

Mr. SPRINGER. May I ask the gentleman if it is not true that the amendment is unanimously agreeable to the Committee on the Judiciary?

Mr. CELLER. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York (Mr. CELLER)?

There was no objection.

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include an address he delivered at Valley Forge on Sunday.

Mr. OUTLAND asked and was given permission to extend his remarks in the RECORD and include a statement by several national organizations on the necessity for renewing price control.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal of February 21, 1946.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include a statement he made before a subcommittee of the Foreign Relations Committee with reference to the St. Lawrence seaway.

Mr. VINSON asked and was given permission to extend his remarks on the Case bill and to incorporate a letter from the Georgia Farm Bureau president.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include a letter from a veteran of World War II.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and incorporate an editorial from the Times-Herald of today.

Mr. LUDLOW asked and was given permission to extend his remarks in the RECORD in three instances—in one, to include an editorial from the Washington Post, and in another to include a statement he made before the House Committee on Post Offices and Post Roads this morning.

Mr. STEWART asked and was given permission to extend his remarks in the RECORD and include a letter from Floyd E. Kirby, a returned veteran from World War II.

Mr. ROBERTSON of Virginia asked and was given permission to extend his remarks in the RECORD, and insert an article by Henry W. McLaughlin entitled "A Remedy for Strikes."

Mr. ROMULO asked and was given permission to extend his remarks in the RECORD with reference to a Filipino war hero.

Mr. ROMULO asked and was given permission to insert in the RECORD a letter on the Filipino disabled veterans.

Mr. TIBBOTT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HENRY asked and was given permission to extend his remarks in the RECORD and include an editorial which appeared in the Wisconsin State Journal of Madison, Wis., February 22.

Mr. MASON asked and was given permission to extend his own remarks in the RECORD.

[CHAPTER 83]

AN ACT

To amend the First War Powers Act, 1941.

March 8, 1946
[H. R. 4571]
[Public Law 822]

50 U. S. C., Supp.
V, app. §§ 616-618.
Post, p. 925.

50 U. S. C. app. §§ 1-
31; Supp. V, app. 1-3
of 207.
Post, pp. 54, 182, 418,
925, 944.
Return of property.

Owner, etc.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the First War Powers Act, 1941 (55 Stat. 838), is hereby amended by adding at the end of title III thereof the following:

“SEC. 304. The Trading with the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby further amended by adding at the end thereof the following section:

“SEC. 32. (a) The President, or such officer or agency as he may designate, may return any property or interest vested in or transferred to the Alien Property Custodian (other than any property or interest acquired by the United States prior to December 18, 1941), or the net proceeds thereof, whenever the President or such officer or agency shall determine—

“(1) that the person who has filed a notice of claim for return, in such form as the President or such officer or agency may prescribe, was the owner of such property or interest immediately prior to its vesting in or transfer to the Alien Property

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Custodian, or is the legal representative (whether or not appointed by a court in the United States), or successor in interest by inheritance, devise, bequest, or operation of law, of such owner; and

“(2) that such owner, and legal representative or successor in interest, if any, are not—

“(A) the government of a nation with which the United States has at any time since December 7, 1941, been at war; or

“(B) a corporation or association organized under the laws of such nation: *Provided*, That any property or interest or proceeds which, but for the provisions of this subdivision (B), might be returned under this section to any such corporation or association, may be returned to the owner or owners of all the stock of such corporation or of all the proprietary and beneficial interest in such association, if their ownership of such stock or proprietary and beneficial interest existed immediately prior to vesting in or transfer to the Alien Property Custodian and continuously thereafter to the date of such return (without regard to purported divestments or limitations of such ownership by any government referred to in subdivision (A) hereof) and if such ownership was by one or more citizens of the United States or by one or more corporations organized under the laws of the United States or any State, Territory, or possession thereof, or the District of Columbia: *Provided further*, That such owner or owners shall succeed to those obligations, limited in aggregate amount to the value of such property or interest or proceeds, which are lawfully assertible against the corporation or association by persons not ineligible to receive a return under this section; or

“(C) an individual voluntarily resident at any time since December 7, 1941, within the territory of such nation, other than a citizen of the United States or a diplomatic or consular officer of a nation with which the United States has not at any time since December 7, 1941, been at war; or

“(D) an individual who was at any time after December 7, 1941, a citizen or subject of a nation with which the United States has at any time since December 7, 1941, been at war, and who on or after December 7, 1941, and prior to the date of the enactment of this section, was present (other than in the service of the United States) in the territory of such nation or in any territory occupied by the military or naval forces thereof or engaged in any business in any such territory; or

“(E) a foreign corporation or association which at any time after December 7, 1941, was controlled or 50 per centum or more of the stock of which was owned by any person or persons ineligible to receive a return under subdivisions (A), (B), (C), or (D) hereof: *Provided*, That notwithstanding the provisions of this subdivision (E), return may be made to a corporation or association so controlled or owned, if such corporation or association was organized under the laws of a nation any of whose territory was occupied by the military or naval forces of any nation with which the United States has at any time since December 7, 1941, been at war, and if such control or ownership arose

Enemy govern-
ment.

Corporation, etc.,
organized under laws
of enemy nation.

Person voluntarily
resident in enemy ter-
ritory.
Post, p. 930.

Citizen or subject
of enemy nation.
Post, p. 930.

Foreign corpora-
tion, etc., controlled
by ineligible persons.

after March 1, 1938, as an incident to such occupation and was terminated prior to the enactment of this section;

and

Use of property,
etc., to conceal interest.

“(3) that the property or interest claimed, or the net proceeds of which are claimed, was not at any time after September 1, 1939, held or used, by or with the assent of the person who was the owner thereof immediately prior to vesting in or transfer to the Alien Property Custodian, pursuant to any arrangement to conceal any property or interest within the United States of any person ineligible to receive a return under subsection (a) (2) hereof;

Alien Property Custodian, liability.
56 Stat. 245.
50 U. S. C., Supp. V, app. § 1191; 35 U. S. C., Supp. V, §§ 89-96.

“(4) that the Alien Property Custodian has no actual or potential liability under the Renegotiation Act or the Act of October 31, 1942 (56 Stat. 1013; 35 U. S. C. 89-96), in respect of the property or interest or proceeds to be returned and that the claimant and his predecessor in interest, if any, have no actual or potential liability of any kind under the Renegotiation Act or the said Act of October 31, 1942; or in the alternative that the claimant has provided security or undertakings adequate to assure satisfaction of all such liabilities or that property or interest or proceeds to be retained by the Alien Property Custodian are adequate therefor; and

Interest of U. S. Petition for redetermination.
Supra.

“(5) that such return is in the interest of the United States.
“(b) Notwithstanding the limitation prescribed in the Renegotiation Act upon the time within which petitions may be filed in The Tax Court of the United States, any person to whom any property or interest or proceeds are returned hereunder shall, for a period of ninety days (not counting Sunday or a legal holiday in the District of Columbia as the last day) following return, have the right to file such a petition for a redetermination in respect of any final order of the War Contracts Price Adjustment Board determining excessive profits, made against the Alien Property Custodian, or of any determination, not embodied in an agreement, of excessive profits, so made by or on behalf of a Secretary.

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UNITED STATES
STATUTES AT LARGE *v. 60, pt. 1, c.*

CONTAINING THE

LAWS AND CONCURRENT RESOLUTIONS
ENACTED DURING THE SECOND SESSION OF THE
SEVENTY-NINTH CONGRESS
OF THE UNITED STATES OF AMERICA

1946

AND

PROCLAMATIONS, TREATIES, INTERNATIONAL
AGREEMENTS OTHER THAN TREATIES,
AND REORGANIZATION PLANS

COMPILED, EDITED, INDEXED, AND PUBLISHED BY AUTHORITY OF LAW
UNDER THE DIRECTION OF THE SECRETARY OF STATE

VOLUME 60

IN TWO PARTS

PART 1

PUBLIC LAWS

AND

REORGANIZATION PLANS



UNITED STATES
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Page 2

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Authority NND 812045
By KG NARA Date 5/19/00

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Box # 145
P. 157 NY CORRESP. 10/44

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DEPARTMENT OF JUSTICE
WAR DIVISION
ECONOMIC WARFARE SECTION
12th Floor - 50 Broad Street
New York 6, New York

EO-9-20

October 8, 1944

PROSPECTUS

Re: American Assets of Swiss Holding Companies

As a result of inquiries already undertaken with a view toward writing a report on the activities of the Geneva branch of the Banque de Paris et des Pays Bas¹ (PL) it is recommended that this project be temporarily postponed in favor of writing a report on the so-called "Geneva Group" of private Swiss banks and their activities in setting up in this country various financial instrumentalities for the holding, conserving and manipulating of various securities and assets, the owners of which have unknown at the present time to our Governmental authorities.

This recommendation arises from (a) information now in hand and being collected, from (b) suggestions made at discussions with officials of the Office of Foreign Funds Control, and (c) from the action of the Bretton Wood conference in creating "Commission Three", to conduct a financial inquiry to recommend concrete steps for the quarantining of Axis loot. This conference also spoke of economic sanctions and economic pressure to be brought against neutrals used as depositories for Axis loot. It is believed that the action taken by the conference came about by reason of information which was supplied to it by the Foreign Funds Control Office, some of which came from the War Division.

The "Geneva Group" of Swiss banks, Pictet & Cie., Lombard Odier & Cie., Ferrier, Lullin et Cie., and Montsch et Cie., are long established private bankers whose principal activities are the safe-keeping and the investing for clients of assets and securities in such a manner that their ownership and operations remain hidden in conformity with traditional Swiss banking practice. The devices used by the group included holding companies set up in Panama, the United States, and elsewhere. The report on the "Concealed Assets of L. O. Farben," NY-542, indicates one manner in which such concealment of ownership and assets and securities can be accomplished, and portions of the report on the "Banque de l'Indochine," NY-254, indicates another method of concealment.

1 This project reported on in memorandum of 7/10/44, Alexander Saxe to James S. Martin.

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Authority **NND 812045**

By **KG** NARA Date **5/19/00**

AS 375

In the United States, this group of private Swiss banks, notably Pictet et Cie. and Lombard Odier et Cie., have deposited large amounts of securities and cash assets in accounts in various New York financial institutions. Many of the assets held in the United States by these Swiss banks are not for their own account but represent the fortunes of individual clients whose identity has not been revealed to either American or British authorities. In addition, these private Swiss banks operate investment trusts and holding companies in the United States which also contain considerable assets. The beneficial owners of the capital stock of these holding companies are in all cases unknown and the private banks are admittedly only nominees holding and voting the capital stock in these investment trusts and holding companies.

For example, Pictet et Cie. controls virtually all of the capital stock of a Delaware corporation, the American European Securities Company, Inc. This holding company has a portfolio which contains domestic and foreign shares physically situated in the United States in the sum of approximately 11.1/2 million dollars. Pictet et Cie. is also the nominal owner of the capital stock of a Panamanian holding company, the Pictetary Custodian Corporation, holding stock and cash assets in this country worth approximately 8 million dollars. The Pictetary Custodian Corporation is actually administered by a voting trust headed by a partner of Pictet et Cie.'s American correspondent, Bamberger and Dunckley. In addition to these two companies, Pictet et Cie. has also created more than 30 so-called "X" corporations, all of Panamanian origin, each of which represents the fortunes of an individual client of Pictet et Cie. whose identity and nationality are undisclosed. The assets of these "X" corporations have not been found in any of the New York banks and the question of their whereabouts is at present unanswered.

In addition, Pictet et Cie. has also acted as the agent of the Banque de Paris et des Pays Bas in administering the majority block of shares of the Banque in the Banco Nacional de Mexico, inasmuch as the Banque, by reason of its disaffiliation, is unable to administer the affairs of the Mexican bank directly.

Another example of asset holding for the benefit of parties of unknown nationality is the holding company, Societe Anonyme de Commerce de Bepotes (SAGED). This holding company, with assets in the United States estimated as high as 20 million dollars, is an affiliate of Lombard Odier et Cie. of Geneva. The accounts of SAGED indicate numerous "sub-deposits" and the beneficial ownership of these is not known. The affairs of SAGED and of some of its subsidiary corporations in the United States are administered by Henry Hahn, a New York securities dealer, who was Berlin representative for the National City Company and the British successor, Brown, Harriman and Company, Ltd. for many years and who is represented and sat on the boards of numerous German corporations. One of Hahn's chief activities was the representation of German dollar bonds for the Deutsche Gold- und Silberbank.

DECLASSIFIED
 Authority NND 812045
 By KG NARA Date 5/19/00

The SAIRD and its subsidiary corporations absolutely represent the foremost of private individuals and interests in Europe whose identities are unknown. In the administration of these companies, Henry Han is assisted by a number of naturalized German-Americans. A single exception is Edward Van Dyke Wright, Jr., an American who was the acting American commercial attaché in Brussels and subsequently joined the Berlin office of the National City Bank party and Brown, Indriska and Company. Wright is now stationed in Zurich, Switzerland where he acts as Han's correspondent in the transaction of his security business.

The activities of Lombard Oiler and Piorett of Cie. are closely related in the operations of the SAIRD and its subsidiary. Roger de Guellette, a partner in Piorett of Cie., is also a director of one of SAIRD's lending subsidiaries, The Security and Finance Service Corporation (SMFTV).

The individuals actively interested in the administration of the above-mentioned holding companies all have close ties with official price government agencies and are known to make frequent use of the Swiss diplomatic pouch and passport.

On October 30, 1945 the Treasury Department promulgated General Ruling 17 as a measure to prevent Axis nationals and Axis sympathizers from obtaining their securities holdings and financial transactions in the United States. This ruling was intended to secure information regarding the beneficial owners of shares in blocked security accounts. Origin holding companies whose security accounts are blocked are permitted to operate their accounts upon submitting a statement verifying "that no person who is a national of any blocked country other than the country in which such bank or financial institution is located and [that] no person whose name appears on the proclaimed list of certain blocked nationals has an interest in the securities."

In actual operation General Ruling 17 can be circumvented. This is held in detail in our Confidential Report on the Banque de L'Indochine. The Letteallas Mining and Finance Corporation, Ltd. has three large security accounts in the United States as J. A. W. Sallagun, J. Henry Schroder Banking Corporation and the Guaranty Trust Company. A large minority interest in the capital stock of the Letteallas Mining and Finance Corporation, Ltd. is held by Jacques Bernard, a member of Lavel's cabinet and Chief of Franco-German Economic Relations. An undetermined capital stock interest in Letteallas is also held by Paul Baudouin, Petain's first minister for Foreign Affairs and President of the Banque de L'Indochine. The statement submitted by the Letteallas Mining and Finance Corporation, Ltd. in response to General Ruling 17, merely stated that the transactions it was engaged in were carried on by and solely for the interest of the firm itself.

DECLASSIFIED
Authority NND 812045
By KG NARA Date 5/19/00

While the Treasury Department has successfully resisted efforts to unblock accounts, it is likely that the imminence of victory will bring a relaxation of the blocking and licensing procedure. Thus, the accounts which have been conserved and enlarged as a result of blocking will become available to unknown persons, firms and corporations, some of whom may be Axis interests or their agents.

The objectives of "Commission Three", created by resolution of the Bretton Woods Monetary Conference to detect and quarantine Axis assets, must be implemented by the participating governments. Our own security should not be jeopardized by the existence of concealed assets which may belong to our present enemies and which can be used against us in economic warfare as soon as peace is declared.

The Department of Justice, having legal authority under the Trading With The Enemy Act and the Foreign Agents Registration Section should be in a position to acquire and to use information for the purpose of enforcing these acts. While criminal law enforcement constitutes the legal justification for such an investigation, there is the added inducement for us to engage in this type of counter-economic warfare activity to remove any opportunity for Axis interests or their agents from benefitting by the loot of World War II to prepare themselves for World War III.

ALEXANDER SACHS,
Special Attorney

cc - Messrs. Nechler
Rhetts
Martin
S. Carter
Burnler
Wahlforth

332819

RG 131
 Entry 231
 File: Gen'l Counsel Opinion
 No. 54
 Box: 88

R-54



OFFICE OF
 ALIEN PROPERTY CUSTODIAN
 WASHINGTON

MEMORANDUM TO: Francis A. Mahony,
 Secretary of the Executive Committee.

FROM: A. Matt. Werner, General Counsel.

SUBJECT: Orders Vesting Property of Unknown Heirs
 and Assigns of Specific Foreign Nationals.

DATE: February 22, 1943.

There have been eleven cases 1/ considered by the Executive Committee at its last three meetings in which the Division of Investigation and Research recommended that the Custodian vest the interest in specified property not only of

(a) one or more certain named foreign nationals but also of

(b) either

the heirs, executors, administrators and assigns; or

the successors and assigns; or

the successors, assigns and affiliates

of such named foreign national or nationals all of such owners tabulated in (b) above being hereinafter collectively called "assigns"7.

1/ Item 7-(h) on Agenda of 2-4-43
 Items 4-(m), 4-(o) and 4-(p) on Agenda of 2-10-43
 Items 5-(d), 5-(f), 5-(g), 5-(h), 5-(i), 5-(j) and 5-(k) on
 Agenda of 2-17-43

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RG	131
Entry	231
File	Gen'l Counsel Opinion No. 54
Box	88

At each of such three meetings the General Counsel pointed out that the Custodian should not and could not vest the property of bona fide Americans, and so recommended that in each of such cases the assigns be confined expressly to those assigns who are foreign nationals. The Executive Committee adopted such recommendation of the General Counsel (subject, however, to clearance by Homer Jones) with respect to the one such case which was before the Committee on February 4, 1943; but with respect to the ten cases considered at the meetings on February 10th and 17th it rejected such recommendations of the General Counsel and in lieu thereof directed that the relative vesting orders contain express findings to the effect that each and all of the assigns, to the extent there are any such persons, are foreign nationals. To the latter the General Counsel also raised objections on the grounds that the relative reports of the Division of Investigation and Research contained no evidence to support such findings.

It is my understanding that the policy of the Executive Committee in the premises is now established to the effect that in the aforesaid cases and in all other similar situations hereafter arising, the relative vesting order shall expressly vest the interest of the assigns without confining it to those assigns who are foreign nationals, and shall contain an express finding to the effect that each and all of such assigns, to the extent that there are any such persons, are foreign nationals.

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RG	131
Entry	231
File	Gen'l Counsel Opinion No. 54
Box	88

The vesting orders heretofore drawn and transmitted herewith, as well as those which may be drawn in future similar cases, have been or will be drafted in accordance with such directions of the Executive Committee. The General Counsel wishes, however, that a record be made of the facts (1) that no evidence has been brought to his attention with respect to any of the aforesaid cases which would support the finding in any such case that the assigns are foreign nationals, and (2) that the orders so drafted will probably not confer title to the property of any bona fide American citizen who may be included among the assigns.

Will you be good enough to file this memorandum with the Secretary's records?



A. Matt. Werner
General Counsel

332822

count 7

JACOB RADER MARCUS CENTER OF THE
AMERICAN JEWISH ARCHIVES
CINCINNATI, OHIO

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August 10, 1951

Discussion with Mr. D. Margolies (August 9, 1951)

The purpose of the discussion was to broach the problem of the Jewish interests in connection with the proposed discussions between the Allies and the Germans on German prewar debts. We wanted to ascertain the present status of the discussions and the views of the State Department on the advisability of bringing into these discussions the problem of restitution, compensation, and the liability of Bonn for the Reich debts under Law No. 59.

The views given by Mr. Margolies were his own and apparently did not necessarily represent the opinion of the State Department - he made it clear that he was discussing these questions for the first time and that he himself had no answer to most of the problems involved.

According to Mr. Margolies, the next step (apparently in October) will be a Three-Power Conference whose purpose will be to try to ascertain the magnitude of the debts. The second step (assumedly in November) will be a creditor conference to which a larger number of nations will be invited.

Preliminary estimates for prewar debts are 3 billion dollars but this amount includes interests and bonds now held illegally by many persons and the Russians. If the two latter categories are eliminated, an amount of approximately \$1.2 billion would remain.

The Department of State is aware of the fact that it is impossible to deal with these debts alone and that a solution could be found only on an overall basis, i.e. by considering the Allied postwar claims, the occupation costs, as well as the restitution and compensation (General Claims Law) problems. The present thinking of the Germans is apparently to consider all the debts as DM debts and to create Marks of different convertibility, for instance a "debt mark," and "investment mark" (as exists at present), possibly a "restitution and compensation mark." But all this is tentative because, in addition to the afore-mentioned problems, the Israeli reparations claims and apparently also a French proposal to indemnify Frenchmen (or other Allies) under the General Claims Law must be taken into account. The difficulty involved is that, with the exception of the prewar debts (bonds in the main), and the postwar claims, none of the other could be established even approximately at present.

Mr. Margolies thought that it might be unwise for the Jewish groups to bring their proposals to the Conference because we would face opposition from very influential circles. It might also be inadvisable, in view of the cuts which prewar creditors may have to take and/or the delays involved in repayments. However - as mentioned - he was quite firm in his view that the restitution and compensation claims must necessarily be considered in connection with any decision on the prewar debts and that there exists a close relation between these two separate categories of claims against Germany. On the whole it is obvious that some kind of a scale for the repayment of all these obligations will have to be

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established and that considerable time will have to elapse until all payments would be made.

As to Bonn's responsibility under Law 59, Mr. Margolies was not positive whether this problem will be dealt with as part of the contractual arrangement or of the prewar debts (in the larger context) or at all. It would appear that Bonn considers itself the successor of the Third Reich, although so far only in regard to property. For some reasons Bonn feels strongly about it and Mr. Margolies ventured the opinion that they may even be willing to pay for this recognition by assuming the Reich liability in accordance with Law 59. On the contrary, the French are firm in their view that the Western German Federal Republic is a new creation and in no way a successor to the old Reich. The U.S.A. went so far along with the French; he was not positive where the British stood.

It was the consensus that the problems involved are very complicated but also very important and that they will have to be rediscussed soon.

332825

WJC C23

C O P Y

DEPARTMENT OF STATE
Washington

June 15, 1951

In reply refer to GER

My dear Mr. Javits:

In view of the concern which you have shown on many occasions with regard to the internal restitution program in Germany, the Department wishes to bring to your attention certain developments which have an important bearing on the subject. These developments stem from the decision of the Foreign Ministers at their conference in Brussels last December to place Allied-German relations on a contractual basis, and thereby to accord the German Federal Republic a position of sovereign equality in the community of free nations. In order to accomplish this, it is planned to replace the reserved powers in the Occupation Statute with a series of agreements with the German Federal Republic; I am sure you will understand that we could not propose any other course of action on the reserved power over restitution without contradicting the letter and the spirit of our over-all policy toward the German Federal Republic. However, this does not require any weakening in the firm policy of this Government that the internal restitution program must be brought to a satisfactory conclusion, and the Department believes that the fulfillment of the policy can and must be guaranteed under assurances to be obtained from the German Federal Government.

The Intergovernmental Study Group on Germany, which has been in London, has given intensive consideration to this problem over the past several months. Its work on the problem included not only a study of the political considerations involved, but also the views of the restitution claimants and especially of the various organizations concerned with protecting the rights of those claimants. The Study Group has now submitted recommendations to its respective governments concerning the terms of assurances which should be obtained from the German Federal Government.

The Department considers that it would be most unwise to make disclosure at this time of the content of the recommendations, not because of any question as to the adequacy of the proposals to ensure accomplishment of the restitution program, but rather because disclosure might seriously prejudice the negotiation of the new arrangements. I can, however, assure you that this Government will insist upon a direct Allied participation in the operation of the program and that American officials will continue closely the present system of reporting to the Department.

I take this opportunity again to thank you for your cooperation and for your many helpful suggestions with regard to the program.

Sincerely,

For the Secretary of State:

Ben H. Brown, Jr.

Act. Asst. Secretary for Congressional Relations

332826

WJC C23

15 East 84th Street
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXX 28, N.Y.

XXXXXXXXXXXXXXXXXXXX

January 22, 1951

Mr. Jack Rheinsteen
Office of German Affairs
Department of State
Washington D.C.

Dear Sir:

You will recall that on Jan. 5 you met with representatives of the Joint Distribution Committee, Messrs. Rock and Jacobson, to discuss certain problems relating to Jewish interests in Germany. They told me that the memoranda of the World Jewish Congress submitted in connection with the last meeting of the Big Three Foreign Ministers did not reach your desk. Accordingly, I am enclosing herewith copies of these memoranda.

Yours very sincerely,

Nehemiah Robinson

NR:ls

Encl.

332827

WSC C23

November 15, 1951

Ref. MB

Mr. Otto F. Fletcher
Special Assistant
Monetary Affairs Staff
Department of State
Washington, D.C.

Dear Mr. Fletcher:

I am referring to my letter of June 22 and your communication of July 24 in which you advised me that the Tripartite Gold Commission had not yet completed its adjudications upon all the claims submitted.

I was advised from Athens that the Tripartite Gold Commission is about to make a decision in the matter of the gold looted by the Germans from Greece. In view of the specific circumstances of the case our organization would appreciate it very much if the Department of State were to advise its representative on the Tripartite Gold Commission to support the Greek request for the allocation of gold.

Yours very sincerely,

Nehemiah Robinson

NRama

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WJC C23

DEPARTMENT OF STATE
WASHINGTON



In reply refer to
MN

July 24, 1951

My dear Mr. Robinson:

Reference is made to your letter of June 22 regarding the decision of the Tripartite Gold Commission in Brussels concerning certain Greek claims.

I regret to have to inform you that—against expectation—the Commission has not completed its adjudications upon all the claims submitted due to unforeseen complications arising at the final stage of its work. As previously stated, I shall be glad to furnish you a copy of the final adjudication upon the Greek claim immediately after its despatch to the Greek Government.

Sincerely yours,

A handwritten signature in cursive script that reads "Otto F. Fletcher".

Otto F. Fletcher,
Special Assistant,
Monetary Affairs Staff.

Mr. Nehemiah Robinson,
World Jewish Congress,
15 East 84th Street,
New York 28, N. Y.

332829

WJC C23

November 14, 1950

Mr. Roswell H. Whitman
Officer in Charge of
Economic Affairs
Office of Western European Affairs
Department of State
Washington, D.C.

Ref. WE.

My dear Mr. Whitman:

I am referring to your communication of May 5, 1950 and my letter of June 22, 1950 re property in Switzerland belonging to victims of Nazi persecution.

I am aware of the fact that the Four Power Conference relating to the Swiss-Allied Accord on German property did not actually take place in June of this year. I have not yet heard of any new date set for such a conference.

In the meantime the Swiss continue to treat properties of Jews who were in Germany on the day stipulated in the Accord as German property and keep it under sequestre. Our organization is being constantly approached by former German Jews who have succeeded in salvaging some of their assets by transferring them to Switzerland and are now faced with a solution which they consider to be contrary to all the Allied pronouncements and elementary justice, let alone the spirit, if not the wording, of the Swiss-Allied Accord.

I would appreciate it very much if the Department of State could instruct the Legation in Switzerland to bring this matter to the attention of the Swiss Government with a view of solving it outside of the problems involved in the general implementation of the Swiss-Allied Accord.

Yours sincerely,

Behemiah Robinson

NR:ms

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AMERICAN JEWISH ARCHIVES
CINCINNATI, OHIO

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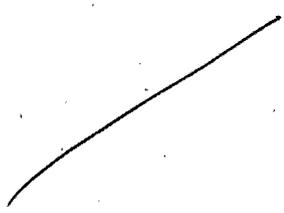
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Signature Chiyam

Date 3/27



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

January 2nd, 1950

MEMORANDUM

From: Eli Rock
 To: JRSO Executive Committee
 Re: Disposition of JRSO Proceeds

I am sending you attached copies of correspondence and cables which have been received from the Agudas Israel World Organization and from various overseas Orthodox groups bearing on the request of the Agudas Israel for an allocation out of the JRSO-recovered proceeds.

I am also attaching a copy of a self-explanatory request from the World Union for Progressive Judaism, which will be included on the agenda of the next meeting.

This is to confirm that the Executive Committee will meet on Thursday, January 11th, at 4 P.M. at the JDC offices, for further discussion of the question of disposition of proceeds.

Eli Rock

ER:AUN
 Enc.

332831

MEMBER ORGANIZATIONS

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

OPERATING AGENTS

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

COPY

AGUDAS ISRAEL WORLD ORGANIZATION

2521 Broadway
New York 25, N. Y.

December 26, 1950

Mr. Monroe Goldwater
Chairman, Executive Committee
Jewish Restitution Successor Organization
270 Madison Avenue
New York City

Dear Mr. Goldwater:

Pursuant to the discussion at the last meeting of the Executive Committee of the Jewish Restitution Successor Organization on December 14th, 1950, I would like to submit in writing my motion with regard to the earmarking of funds for the spiritual needs of the Jewish People out of the proceeds of JRSO, particularly out of the forty million marks which are expected in the next two or three years, as well as of all future proceeds of JRSO.

The motion is as follows:

The Executive Committee of JRSO decides that 20% of all proceeds of JRSO be set aside for the benefit of the Torah institutions of the Jewish people. A special fund, called "Torah Fund in Memory of the Victims of Nazi Persecution", has to be established. The administration of the Fund has to consist of:

- (1) two representatives of the Chief Rabbinate of Israel;
- (2) two representatives of the Union of Orthodox Rabbis of the United States and Canada;
- (3) two representatives of Agudas Israel World Organization;
- (4) two representatives of the Mizrahi World Organization;
- (5) the present Minister of Religion and the present Minister of Social Welfare of the State of Israel;
- (6) two representatives of the Vaad Hayeshivoh in Israel.

The Jewish Agency for Palestine and the American Jewish Joint Distribution Committee, as agents for the JRSO, are to use the twenty percent of its proceeds, earmarked for the "Torah Fund in Memory of Nazi Persecution", in accordance with the decisions, that will be rendered by the administration of the "Torah Fund in Memory of the Victims of Nazi Persecution" for the following two purposes:

- (1) to support the Torah institutions in Israel;
- (2) to build children's homes in Israel where immigrant children will be housed.

I consider this suggestion as being in accordance with paragraphs 3 and 7 of the letter of the Jewish Restitution Commission to the Joint Distribution Committee and the Jewish Agency for Palestine, dated April 2nd, 1947.

/over/

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WJC C22

I feel that it would be a historic crime to forget about the Torah institutions which are the guarantee for our survival at this occasion when the Jewish People was recognized as heir to the property left by the murdered victims of Nazi oppression who, beyond any doubt, would certainly themselves bequeath a part of their property to Torah institutions were they able to decide themselves. The objective of building houses for immigrant children is certainly a part of the general relief work of the two operating agents of the JRSO and is being singled out here because of the enormous difficulties created so far by the lack of houses for children in Israel. It is understood, however, that houses which will be built out of the twenty percent, earmarked for the "Torah Fund in Memory of the Victims of Nazi Persecution", will be later, in the future, when no need for such houses will exist any longer, be used for the benefit of the Torah institutions in Israel. The composition of the administration of the Fund, as suggested here, is the best guarantee for its impartiality.

In view of the great significance of this matter, may I ask that this motion be communicated to all constituent organizations of the JRSO with the view that they cast their votes in writing if their representatives will be prevented from attending the next meeting of the Executive Committee

Very sincerely yours

DR. ISAAC LEWIN

332832A

332832A

C O P Y

Received 12/28/1950

JMV 99 X 110 JERUSALEM 196 27 1255 VRI
LT JEWISH RESTITUTION SUCCESSOR ORGANIZATION
270 MADISON AVE NEWYORK

CHIEF RABBINATE OF ISRAEL AT SPECIALLY CONVENED SESSION AFTER EXHAUSTIVE CAREFUL
CONSIDERATION FINDS THAT UNCLAIMED JEWISH PROPERTY IN GERMANY NOW BEING
AWARDED JEWISH PEOPLE INCLUDES CONSIDERABLE FUNDS AND PROPERTY FORMERLY
BELONGING TO MANY CONGREGATIONS SYNAGOGUES RELIGIOUS AND TORAH TRUSTS
YESHIVOTH AND RABBINICAL SEMINARIES STOP NATURAL HEIR THESE FUNDS ARE SACRED
YESHIVOTH IN ISRAEL AMONG WHOM ARE MANY DESTROYED YESHIVOTH OF EUROPE NEWLY
CONSTITUTED HERE AND STUDENTS ALL ISRAEL YESHIVOTH INCLUDE MANY HUNDREDS OF
REFUGEE STUDENTS VICTIMS OF NAZISM INCLUDING LARGE NUMBERS FROM GERMANY ITSELF
STOP CLAIM THESE YESHIVOTH STRENGTHENED BY FACT THEY FORMERLY DERIVED CONSIDERABLE
INCOME FROM GERMAN JEWRY STOP NO MORE FITTING NER NESHAMA SOULS LAMP TO
SIX MILLION JEWISH PURE INNOCENT LIVES INCLUDING GERMAN JEWRY QUENCHED BY
HANDS OF THAT MURDERER OF NATIONS THAN THE PERPETUAL LAMP OF THE TORAH EVER
INCREASING IN VOLUME AND POWER THE HOLY YESHIVOTH AT ONCE FOCUS AND SOURCE
ISRAELS SPECIFIC AND GENIUS REKINDLED IN THE LAND OF DIVINE LIGHT AND TRUTH STOP
MOST URGENTLY REQUEST YOU SET ASIDE GOODLY PORTION FOR THIS GREAT SACRED
PURPOSE STOP WITH TORAH AND ZIONS BLESSINGS

ISAAC HP HALEVI HERZOG BENZION UZIEL CHIEF RABBIS OF ISRAEL

332833

WJC C22

C O P Y

Received 12/28/1950

JMV 126 X205 JERUSALEM 190 27 1745 VRI
LT SUCCESSOR JEWISH RESTITUTION ORGANIZATION
270 MADISON AVE NEWYORK

WE UNDERSIGNED THREE ORGANIZATIONS REPRESENT OVER ONE HUNDRED YESHIVOTH IN ISRAEL OF WHOM HALF WERE TRANSFERRED FROM EUROPEAN INFERNO AND NUMBERING THOUSANDS OF STUDENTS AMONG WHOM HUNDREDS OF REFUGEES WHO ARE CONTINUING TO STREAM INTO THE HOLY LAND AND SWELLING THE STUDENT BODY OF THESE SACRED INSTITUTIONS OF HIGHER TORAH LEARNING WHOSE ALREADY PRECARIOUS ECONOMIC POSITION BECOMES INCREASINGLY ACUTE URGENTLY REQUEST THAT GOODLY PORTION MINIMUM 20 PERCENT OF UNCLAIMED GERMAN JEWISH PROPERTY BE DEVOTED TO THESE HOLY YESHIVOTH WHO FORMERLY RECEIVED CONSIDERABLE SUPPORT FROM GERMAN JEWRY STOP ISRAEL YESHIVOTH REPRESENT LAST REMNANTS OF TORAH INSTITUTIONS WHICH WERE FORMERLY PRIDE OF EUROPEAN AND GERMAN JEWRY AND CAN RIGHTLY BE CONSIDERED SUCCESSORS TO MANY CONGREGATIONS SYNAGOGUES AND TORAH INSTITUTIONS OF GERMANY WHOSE FUNDS LARGELY MAKE UP UNCLAIMED PROPERTY NOW BEING DISTRIBUTED STOP YESHIVOTH ALONE ENSURE RESTITUTION OF JEWISH BODY AND SPIRIT WHICH NAZI CRUSADE TO DESTROY BOTH RESULTED IN MARTYRDOM OF GERMAN JEWRY AND OUR SACRED BOUNDEN DUTY USE PROPERTY THESE MARTYRS FOR RESTORATION OF BODY AND SOUL OF JEWISH PEOPLE IN EVERLASTING MERIT AND MEMORY GERMAN JEWRY

VAAD HAYESHIVOTH MIFAL HATORAH IHUD HAYESHIVOTH

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WJC ca2

COPY

WORLD UNION FOR PROGRESSIVE JUDAISM

July 17, 1950

Mr. Eli Rock
Jewish Restitution Organization
270 Madison Avenue
New York 16, N. Y.

My dear Mr. Rock:

I am writing on behalf of the above organization to inquire how to go about making claims on behalf of the Progressive Jews of Germany, who constituted most of the German Jewish population and most of the German congregations.

We feel that the World Union ought to benefit from the funds available. The fact that many refugees from Germany have, sometimes under great difficulties, built up, in many parts of the world, Jewish Progressive Congregations, which have needed and still need our help (our three congregations in Israel and those in Holland, South America, etc.,) fully justifies our claim.

Your cooperation will be deeply appreciated.

Cordially yours,

MAURICE JACOBS
American Treasurer

332835

WJC C22

The idea of course is a good one but I would rather ride in the Allied boat than with the Germans. Germany will probably recognize obligations to the Allies before they take care of their own citizens, since they are interested in re-establishing their credit in the world. Should we be unsuccessful in our claims as Allies, we can always hop back on the German wagon.

This new German proposal is still too vague for specific action but it is worth thinking about and watching.

Cordially yours,

BENJAMIN B. FERENCZ

332837

WJC C22

Notes on Meeting #51-1 of the Four Organizations
held on Wednesday, January 17, 1951 at the JDC Offices

Present: Dr. Nehemiah Robinson
Dr. Eugene Hevesi
Mr. Eli Rock
(Mr. Boukstein was away from the city and unable to attend)

The discussion covered the following items:

1) Proposed Delegation to Washington.-- Mr. Rock reported verbally regarding his recent visit to Washington with Mr. Jerome Jacobson, during which they discussed with State Department people the various problems involving restitution and related matters. Dr. Hevesi and Dr. Robinson expressed the opinion that, while the danger of restitution being given back to the Germans might not be a matter of today or tomorrow, nevertheless there was clear indication that the Allies would be acting on this question within the near future and that the organizations should go ahead with their preparations for a delegation to Acheson or Webb. Mr. Rock agreed that the problem required constant vigilance and that preparations for the visit to Washington should be forwarded.

Dr. Robinson also proposed that before a high level delegation actually goes to Washington, however, a Jewish delegation in Germany should visit each of the three High Commissioners. He pointed out that the High Commissioners are of primary and key importance in matters involving the occupation statute and its revision, that to a certain extent they are in a definite position to lead and influence Washington and the other home capitals (rather than follow) in the determination of the exact character of policy on these matters, and that no matter what eventual policy decisions are made, they certainly will be in a position to do great good or damage to the Jewish cause in the formulation and implementation of the details under that policy. On top of that, Mr. McCloy at least has shown himself to be extremely friendly on Jewish matters, so that the opportunity should not be missed for soliciting his support and influence before the actual policy decisions are made. Finally, such a delegation would have the opportunity of obtaining more accurate information as to what is going on in the minds of the influential people in these matters than apparently has been obtainable thus far in the various home capitals.

It was agreed that from a number of viewpoints the suggestions for a delegation to visit the High Commissioners appeared sound and should be presented at once to the Agency and JDC. Such a delegation would include representatives of the Agency, the JDC, the Committee and the Congress in Europe, as well as one or two representatives of French and British organizations, and would visit each of the High Commissioners separately. It was also pointed out by Dr. Hevesi that in order to be effective the suggested visits in Germany should take place in the very immediate future and that a report of the results should be communicated at once not only to the organizations in the U.S. but also to the

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Jewish organizations in France and England. Thereafter the high level delegation in the U.S. could promptly visit Acheson, and similar delegations could be arranged for Paris and London. In the meanwhile also, further work could take place on the memorandum which will eventually be submitted to Mr. Acheson, although the final draft can probably not be worked out until the report of the delegations in Germany has been received. It was suggested that the memorandum should cover the following points: Status of restitution, residual claims against Germany, General Claims legislation and the position of the absentees (the latter referring to transfer questions, protection from German taxes, etc.) While the coverage of the memorandum could be broad, the actual discussion with Mr. Acheson (or Webb) might be limited to one or more topics depending on the information available from Germany at the time.

2) Amendment to the Trading with the Enemy Act.-- There was discussion as to the procedure for resubmitting during the present session of Congress the proposed amendment to Section 32 of the Trading with the Enemy Act. Dr. Hevesi pointed out that Mr. Patterson would not be available to continue handling this matter, although he had consented to write to Senator Taft asking him to be a sponsor of the bill again. It was also suggested that Senator O'Connor of Maryland might be the co-sponsor. With reference to the actual follow-through in Washington, it was suggested by Mr. Rock that since a national figure like Mr. Patterson would not now be available for the job, the work might best be done by the regular representatives in Washington of the Committee and the Congress, working jointly. This proposal was found acceptable and it was agreed to recommend it to all parties concerned.

* * * * *

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

332839

MEMORANDUM

January 29th, 1951

To: Moshe A. Leavitt
Maurice M. Boukstein
Behemiah Robinson

From: Eli Bock

Re: Status of Restitution

Sy Rubin has recently had a conversation on the above subject with several of the State Department officials, including one who will be dealing with the matter in London. I have now received a letter from Sy in which he sets forth the following conclusions based on the conversation. (A number of the items of information appear to be rather delicate and I would suggest that this memorandum not be given any further circulation, at least for the time being.):

"1. We have nothing to fear so far as the attitude of the American delegation to the London Study Group is concerned. The Department is perfectly clear and explicit in its desire to make sure that restitution is continued.

"2. It appears to the Department that, at some future time, when negotiations with Germany begin on the general matter of the status of Germany among the Western Allies, a whole list of reserve powers are going to have to be re-examined. It will at that time be the objective of the United States to put the obligations of Germany on a so-called contractual basis. This, however, does not mean that the United States will accept merely the word of the Germans that they will do something and rest content with that. There will be an effort made to insure that procedures are set up which, while restitution will be put on a contractual basis making it an obligation of Germany and accepted by the Germans, will also guarantee that the Allies will have some review and some power of interference.

"3. The question which is agitating the Department is the manner in which the necessary interference or power to interfere can be made most palatable in the context of discussions which will probably be, in any case, very difficult. My understanding is that the Department is presently inclined toward a mixed tribunal somewhat on the lines of the commission which operates at present in the French Zone which would be weighted with Allied nationals.

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MEMBER ORGANIZATIONS

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

OPERATING AGENTS

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

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"4. This possibility will, as I understand it, be explored in the London meetings which are to begin shortly. When proposals will be put to the Germans, however, is quite another matter. One set of revisions of the occupation statute which were approved by the Foreign Ministers in New York, have already been put to the Germans and were expected to have been put into operation some months ago, are still in abeyance. It is therefore impossible for the Department to say whether the overall negotiations with Germany in which restitution would be taken up will take place in the near future or at some very remote date. In any case, the Department anticipates, on the basis of attitudes previously expressed, no great difficulty from the British and French so far as the three Allies are concerned. The Department is quite sure that a proposal will be worked out which will retain a satisfactory degree of power of review, etc. in the Allies with respect to restitution. The big problem will come when negotiations with Germany begin, at which time it is quite possible that the British and French might be willing to sell restitution in exchange for some concession or other point which they would consider more important. The attitude of the Department on this point, however, is that it will regard restitution as one of its major objectives and will not be prepared to recede in the face of such pressure."

BR:AIN
cc. JJJ

ER
E.R.

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Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

332841

January 30th, 1951

MEMORANDUM

To: Mosce A. Leavitt
Maurice M. Boukstein
Hehemiah Robinson
Eugene Hevesi

From: Eli Rock

Re: Restitution as a Reserved Power

With reference to the above, I had earlier written to Ferencz requesting his comments as to the relative importance of McCloy and the State Department people in deciding what will be done with the status of restitution. I have now received a reply from Ferencz which I believe should be of interest, and I am attaching a copy herewith.

ER
Eli Rock

HR:AUN
Enc.

MEMBER ORGANIZATIONS

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

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

24 January 1951

Mr. Eli Rock
Jewish Restitution Successor Organization
270 Madison Avenue
New York 16, N. Y.

Hq. JRSO New York Letter #715

Subj: Restitution as a reserved Power

Dear Eli,

I am writing in reply to your letters #487, 490 and 491 dealing with restitution as a reserved power and the proposed visits to Mr. McCloy and Mr. Acheson.

As for the proposed delegation to Mr. McCloy I think it may be a good thing. If the delegation can be from outside of Germany, it would be preferable since Mr. McCloy is beseeched with local candidates for his time and he has been rather generous to several Jewish groups lately.

It is difficult to say where the center of action lies in reaching the final decisions. Individually I would think that each High Commissioner plays the leading role. However, his influence is affected by the views of subordinates in the State Department, the other High Commissioners and the German negotiators. At the moment, happily for us, somewhat of an impasse has been reached in connection with the Occupation Statute. There are disputes with the German officials concerning their acceptance of foreign debts and meanwhile the French are beginning to get cold feet about rearmament, etc. The final conclusion will be a result of many forces and, therefore, it is particularly important that we move in all directions at the same time. Although there is a lull at the moment it may break and change rapidly at any time.

The letter which George Baker sent to Dr. Weil was most encouraging and was a much stronger declaration of State Department intentions than I believed anyone could possibly obtain. However, these "guarantees" would be rather meaningless if the methods adopted to assure completion of the restitution programs were actually ineffective. This is the point which must be watched and, therefore, my memorandum stressed the retention of the present law and the allied court as basic safeguards. Mr. Baker's statement does not mean that we can now go back to sleep.

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I am sure that Jack Rheinstein will be a helpful ally in the inter-governmental study group. This group is most influential in coordinating the positions of the three powers and is certainly a worthwhile target for a separate attack. I am sure that the results of your discussions together with Jerry in Washington will reap dividends. I think we can compromise on the argument that the program can be finished in a short period of time. We can make this point for the US Zone with the argument that it will only be about a year whereas in the British Zone it will be "slightly longer". I don't think we should concede that this is a problem of indefinite duration anyway. I honestly believe that with reasonable diligence the bulk of the program even in the British Zone can be completed within the next two or three years and if there can be bulk settlements of the JTC's claims, the British Zone may be through even sooner.

I am hoping to be able to see Jerry in the near future in order to discuss this and other problems with him.

Cordially, yours,

BENJAMIN B. FERENCZ

cc: JJJ

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JRSO

MINUTES

JRSO EXECUTIVE COMMITTEE MEETING

February 7, 1951

- Present were:
- Mr. Moses A. Leavitt, JDC - Presiding
 - Mr. Monroe Goldwater, JDC
 - Mr. Maurice M. Boukstein, JAEP
 - Dr. George Landauer, JAEP
 - Dr. Nehemia Robinson, WJC
 - Dr. Isaac Lewin, Agudas
 - Dr. Eugene Hevesi, AJC
 - Dr. Nathan Stein, Council for the Protection of Jews from Germany
 - Dr. Herman Muller, " " " " " " " "
 - Dr. Rudolf Callmann, " " " " " " " "
 - Mr. Hans Meyer, " " " " " " " "
 - Dr. Hannah Arendt, JCR
 - Mr. Saul Kagan, JRSO Nurnberg
 - Mr. Eli Rock, Secretary
 - Mr. Robert Pilpel, JDC

The first item on the agenda involved the agreement reached by the JDC and the Agency regarding a distribution between them of the funds allocated to them by JRSO at a ratio of 67%-33%. Mr. Leavitt briefly outlined the arrangement, which had been discussed at the previous meeting, and Mr. Boukstein moved that it be approved. Mr. Lewin objected to this particular matter being voted on at this moment, prior to the discussion of the other requests for funds which appear on the agenda. Dr. Lewin's argument was that a possible decision to earmark certain funds for certain additional purposes might well affect the ratio of distribution between the operating agents and the latter should therefore not be acted on until the other matters were settled. Mr. Leavitt pointed out that the ratio in question involved a purely internal arrangement as between the JDC and the Agency, and that it would not be affected by the fact that certain funds might possibly be allocated for other purposes. It would hardly be possible to hold off distribution of funds between the Agency and the JDC pending receipt and settlement of all present and possible subsequent requests for funds.

It was the decision of the majority present to take a vote on the motion regarding the ratio of distribution between the Agency and the JDC at this point. The motion was carried by a vote of 6:1, with Dr. Lewin casting the negative vote.

The second item on the agenda involved the request of the Council for the Protection of the Rights and Interests of Jews from Germany, for a share of 20% of the JRSO proceeds. Dr. Stein briefly restated the case of the Council, which he had fully presented at the last Executive Committee meeting in December 1950, emphasizing the special situation of the German-Jewish emigrants and their

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particular claim to these funds. He also made a brief reference to the precedent which, in his opinion, had been set by the decision in the B'nai B'rith case.

Inasmuch as the members present did not feel that further discussion was required, the chairman restated the motion put forward by the Council. It was not seconded and no vote was therefore taken.

Mr. Boukstein at this point outlined the general policy of the Jewish Agency in this and similar matters. He stated, as the policy of the Agency, that no allocation out of JRSO funds should be made, either now or later, to any organization except the JDC and the Jewish Agency, who are the organizations who had assumed the main responsibility toward the JRSO program and who, from the beginning, were understood to be the ones to receive and disburse funds. This did not mean that any applicant would be barred from discussing the matter with the Agency after the latter had received funds. (Mr. Boukstein emphasized that he was speaking for the Agency but indicated that the JDC might possibly take a similar position.) The non-seconding of the motion of the Council therefore need not mean that they were forever barred from receiving any funds. They would always be welcome afterwards to approach the Agency in this matter. Dr. Landauer supplemented Mr. Boukstein's statement by saying that the Agency was aware of the special position of German Jews with regard to the whole complex of restitution and that their application would not be regarded as any such request, but would be treated with utmost sympathy on the part of the Agency.

Dr. Stein at this point raised two questions. In the first place, he stated that having heard the position of the Jewish Agency, he would be interested in hearing also a statement from the JDC as to its position in the matter. Moreover, he wished to point out to the meeting that the sister organization of the JRSO, i.e. the JTC (the successor organization for the British Zone) had at a recent meeting voted unanimously to make some allocation to the Council in Germany. Dr. Stein requested that some explanation be made of this discrepancy, inasmuch as the JDC and Jewish Agency were also represented on the JTC board and presumably had voted on that matter.

Mr. Leavitt stated that he did not feel that this meeting was the proper forum for an exposition of the JDC's position. If Dr. Stein wanted to raise this matter with the JDC, he was most welcome to do so at any time in the JDC offices. As far as the second point was concerned, according to the report of the JDC representative who had been present at the meeting in question, no allocation of any kind had been decided upon at that meeting and the information received by Dr. Stein would appear to be mistaken.

Dr. Callmann at this point objected to the manner in which the Council's motion had been handled thus far and felt that the approach had been unduly formalistic. It was pointed out to Dr. Callmann that, while he had discussed this motion at length at the previous meeting, he was certainly free at this time to advance any additional arguments, even though technically the motion had not been seconded. Mr. Leavitt even suggested that, should the Council wish it, the Committee might dispense with formalities to the extent of having a vote on the

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motion even though it had not been seconded. Dr. Callmann stated that, inasmuch as the motion was not seconded, the possibility of a compromise should be explored. Specifically he suggested the possibility of accepting the principle of some allocation being made to the Council, without any specific amount being named. The Chairman pointed out to the representatives of the Council that the non-seconding of their motion, and even a possible defeat of it, did not in any way preclude them from re-submitting the motion to the Executive Committee at any time in the future, or to the operating agents directly.

The third point on the agenda was listed as the request from the Agudas Israel World Organization. Dr. Lewin first pointed out that this item was incorrectly phrased and he wished to correct any misunderstanding which might have arisen. The Agudas Israel had submitted no request. He had merely made a motion, on behalf of orthodox groups all over the world, that a certain portion of JRSO funds be used for religious education and the housing of children in religious schools in Israel. In this connection Dr. Lewin raised three points. a) He questioned whether the Executive Committee was in fact competent to decide on this particular problem. While it might be technically and legally authorized to do so, it should realize that ultimately it was responsible to the Jewish people in general and should be responsive to the wishes of the Jewish people. In that connection Dr. Lewin felt that the endorsements by religious authorities carried particular weight. b) Dr. Lewin felt that these matters were of great importance and a decision should not be postponed. c) Dr. Lewin wished to discuss the merits of his motion.

Dr. Lewin strongly opposed the position stated previously by Mr. Boukstein in these matters. It was his feeling that no member organization of the JRSO should have a specially privileged position as far as the distribution of funds was concerned, but that all organizations should have an equal vote in deciding this issue, including those not represented on the Executive Committee. While he had the greatest respect for the Jewish Agency, the latter was a political organization and the orthodox groups did not want to be placed in a position where they had to appeal to the Jewish Agency.

At this point Dr. Hevesi stated that he had a separate motion to submit on behalf of the American Jewish Committee. It was the feeling of the Committee that while the motion of the Agudas Israel had merit, the present situation was not favorable for propitious discussion and a definite decision of this problem. Therefore, on behalf of the AJC, Dr. Hevesi proposed that discussion and decision of this matter be postponed until such time as really substantial funds are available to the JRSO.

Mr. Boukstein pointed out that there appeared to be some inconsistencies in the position advanced by Dr. Lewin. Dr. Lewin was not asking for a direct allocation on behalf of the orthodox groups. Rather he agreed that the funds should be administered by the JDC and the agency but requested that a portion of these funds be earmarked for certain purposes and the operating agents be instructed accordingly. Mr. Boukstein felt that this would place the operating agents into a technically impossible situation. There would never be a moment

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when all the funds would be available at one time, so that a definitive apportionment might be made. Rather, some funds might be available from day to day, often only for special projects, such as for example the project of transporting a hospital from Germany to Israel. It would be patently impossible to "reserve" 20% of any such project for orthodox purposes. Mr. Boukstein was wondering whether Dr. Lewin would question the ability of the operating agents to use the proceeds in the best possible way under prevailing conditions.

Dr. Lewin restated his motion, reading from the letter he had sometime ago addressed to Mr. Goldwater, which contained the details of the motion. (This letter had been circulated to Executive Committee members.) He pointed out that there was clearly no question of distrust, but rather the purpose of establishing a special fund for special purposes, which fund would be administered by the Chief Rabbinate, the Minister of Welfare and other similar authorities in Israel. It was true that Israel needed housing. But Israel also needed the cultivation of spiritual values. Therefore approval of this motion should eventually be unanimous. In Dr. Lewin's opinion, it was doubtful indeed whether the Jewish organizations had in fact the right to take this money from the Germans. Since they were taking it, however, it was most fitting that it should be purified by using it for Jewish religious purposes. However, Dr. Lewin felt that a vote at the present time might perhaps be premature and he was therefore willing to consider the suggestion made by the AJC that the matter be postponed, under two conditions: 1) The postponement should not be indefinite, but rather should be limited to 2-3 months. 2) He felt that a resolution of some kind was in order, indicating the respect of the JRSO for the opinion of the World Rabbinate in these matters and indicating that the position of the Rabbinate would be taken into consideration when the motion was eventually decided upon.

Mr. Leavitt pointed out that the JDC in its history had received many requests from orthodox groups which were supported by the world rabbinate. Wherever it was possible to meet those requests, the JDC met them. Where it was not possible to do so, everyone understood that no disrespect was intended for any group. JRSO funds should be administered in the same manner as other public Jewish funds, and the urgent needs of the Jewish people are paramount in this.

Mr. Goldwater suggested that Dr. Lewin might wish to withdraw his motion to be resubmitted at a later date. Dr. Lewin did not wish to do so. There was no second for Dr. Lewin's motion and no vote was taken. Mr. Boukstein again wished to clarify the position of the Agency. He felt it should be clearly understood that no disrespect toward any group was here involved. It was merely the feeling of the Agency that the motion of the Agudas was not presented to the proper forum, and that instead it should be presented to the operating agents. He pointed out that the Agency comprised many orthodox elements and that it had the greatest respect and consideration for the orthodox position.

Dr. Lewin stated that he was confident that the JRSO Executive Committee would at some future date act favorably upon his motion. He also indicated that the orthodox groups would want to appeal directly to the Jewish people in this matter.

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The next item on the agenda involved the request of the Union for Progressive Judaism for an allocation of funds for the benefit of its congregations. It was the unanimous decision of the Committee that JRSO could take no favorable action in this matter.

The last item on the agenda involved the request of the Centre de Documentation Juive for a budget of DM 25,000 for the purposes of their organization's work in Germany. Mr. Leavitt stated that he considered the work of the organization meritorious and that it had been subventioned in the past by the JDC and the AJC. It was his opinion at the present time that the request of the CDJC should not have been addressed to the JRSO but rather to the JDC and AJC, and he suggested that the Centre be so advised. The committee concurred unanimously and the meeting was adjourned.

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JRSO

STRICTLY CONFIDENTIAL

Notes on Meeting #51-2 of the Four
Organizations, Wednesday, February 7th, 1951, at 1:00 P.M.
at the offices of the Jewish Agency for Palestine

Jewish Agency for Palestine

Dr. Nahum Goldmann
Dr. George Landauer
Mr. Maurice Boukstein

Joint Distribution Committee

Mr. Robert Pilpel

American Jewish Committee

Dr. Eugene Hevesi

World Jewish Congress

Dr. Nehemiah Robinson

Also attending:

Dr. Jacob Robinson (Isr. Consulat
Mr. Eli Rock (JRSO)
Mr. Saul Kagan (JRSO)

Dr. Goldmann welcomed Dr. Landauer, who had come to this country to discuss restitution matters with the organizations here. He stated further that he had invited Dr. Jacob Robinson, who was the expert in matters of this nature at the Israeli Consulate in New York, and that he knew Dr. Robinson's presence would be very helpful. The situation had now developed to such a point where a complete re-examination of the problems of claims against Germany is indicated. The government of Israel has, as is known, submitted notes to the Allied powers, presenting the claims of Israeli citizens. However, time is short and is working against the Jewish interests, and it is therefore imperative to work out a comprehensive program. In this whole question the Jewish organizations cannot proceed without some understanding with the Government of Israel. The latter has after all the advantage of its status of a government, moreover it represents a large segment of the claimants, and finally it appears indicated that the transfer question will primarily affect Israel. The policy of the government of Israel is not clearly indicated at the moment. The government is anxious to recover the maximum possible, but on the other hand they are understandably reluctant to negotiate with the German authorities. Public opinion in Israel strongly opposes the establishment of official relations with the government in Germany. He, Dr. Goldmann, would be in Israel in about two weeks and he would discuss these matters with the Israeli authorities. He felt that an attempt should be made to settle the whole issue with the Germans once and for all, and there were indications that the Germans would be inclined to enter into such discussions. On the other hand, the government of Israel might not be ready to do so. They had up to now followed the practice of sending an "unofficial" representative to Germany for discussions along these lines. This approach has not proven successful. It is clear that if the government of Israel is to negotiate with the Germans, it must do so on an official basis. This however they are in no position to do. Before going to Israel Dr. Goldmann would meet with McCloy in Germany on these matters. Afterwards, he

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would now suggest to the government of Israel that, if they themselves were not in a position to negotiate, they should step aside and permit the world Jewish organizations to carry on. Of course, the Israeli government would join the organizations in formulating the policy to be pursued and would be working with them all along. However, before submitting such a proposal to the Israeli government officials, Dr. Goldmann would want to receive word from the Jewish world organizations as to whether they would be willing to come forward and take over this problem. He therefore welcomed this opportunity for an exchange of views.

Dr. Landauer then went on to supplement as follows: In his opinion there were three problems here involved: a) Should there be negotiations and what should be their aim? b) Who is going to handle the negotiations? and c) what is to be done in the meantime.

In further sketching the background of the whole problem, Dr. Landauer referred to the very slow progress which had been made thus far in the recovery of restitutable assets. While some progress had been made in the American Zone, much less had been accomplished in the British Zone, where the number of assets were even greater, and practically nothing in Berlin. If the presently contemplated settlement between JRSO and Hesse is actually effected, the funds gained therefrom would still only amount to 10% of such property in the Western zones and Western Berlin. Moreover, information had been received that the Allied Study Group in London had recommended the abandonment of restitution and that the Germans had been advised of this. The attitudes of the Germans were well known in this respect, and it is quite clear that, if given a free hand, they will immediately proceed to wipe out the entire present restitution system. The problem confronting the organizations now is how to prevail upon the Allies to retain authority over restitution or, failing that, how to protect the Jewish interests as best possible under adverse circumstances. Other serious problems were the transfer problem and the question of exemption under the equalization of burdens legislation.

It is indicated that there will be in the not too distant future a general settlement of Germany's prewar debts. There will be an international conference for the discussion of all such claims. It is imperative that the Jewish groups present a strong, integrated case at such a conference, lest they be left out by default. Steps must be taken at once to approach this problem in a comprehensive way.

In summary Dr. Landauer pointed out that the Jewish groups must now consider ways and means of organizing and presenting their claims and effecting a settlement. These dealings must be with the Bonn government. Dr. Landauer suggested the following procedures: 1) The four organizations be enlarged for the purpose of these matters to include other world Jewish organizations and that they handle the negotiations; that this enlarged body function on a permanent basis for the next year or two, or until the problem has been resolved. Of course this group would function in cooperation with the government of Israel.

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2) The Jewish groups should prepare the presentation of their claim, including all claims.

3) They should approach the allied governments to obtain their consent for the issuance of a transfer license.

4) They should request the allied governments a) not to surrender their authority over restitution, b) grant exemption to restituted property under the equalization of burdens legislation, and c) to assist the Jewish groups in presenting their claims at the forthcoming international debtors conference.

Mr. Boukstein pointed out that a decision had already previously been taken for the Jewish organizations to send a high-level delegation to Washington to see Mr. Webb, just as soon as Dr. Goldman had met with Mr. McCloy and providing that nothing in the McCloy meeting would indicate that such a step was undesirable at that time.

Dr. Jacob Robinson stated that the present steps taken by the Israeli government were only a beginning. The government would now have to come to a clear-cut decision as to how to proceed further in the matter. He therefore welcomed Dr. Goldman's forthcoming visit to Israel to clarify these matters.

Mr. Rock at this point introduced Mr. Kagan, who had just arrived from Germany and suggested that Mr. Kagan report on the most recent developments there regarding the status of restitution. Mr. Kagan stated that on January 30th, before his departure he had an opportunity to see an exchange of cables between HICOG and State in these matters. He emphasized that this information was highly confidential and had been conveyed to him on an unofficial basis. The position outlined in these cables was as follows:

1) It is clear that restitution will not be retained as a reserved power within the present occupation statute.

2) A contractual arrangement with the Germans is contemplated, which would impose the following obligations on the Germans:

a) Law 59 with all its amendments and its regulations (including Regulation No. 3) is to be retained.

b) All previous decisions of the Court of Restitution Appeals are to be maintained and accepted.

c) The Court of Restitution Appeals is to be continued in one of the following alternative forms:

1) A mixed appellate board consisting of a membership ratio of one Britisher, one American, one Frenchman and two Germans. The court would function in a number of panels, to take into consideration the various differences in legislation in the various areas.

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ii) If this proves to be unacceptable, the tribunal might consist of three German members, with a chairman appointed by the International Court at the Hague.

iii) The last alternative (which would actually constitute abandonment of the Court and which will certainly not be suggested by the Americans) would be an all-German court bound to carry out the decisions of the previous Court of Restitution Appeals.

Mr. Kagan felt that such a position would be even more than he had hoped for. HICOG is now considering the possibilities of certain threats of sanctions in order to insure the fulfillments by the Germans of such contractual obligations.

As far as the General Claims Law is concerned, the Americans would demand the continuation of the present legislation in the American and French Zones, and enactment in the British Zone of legislation patterned after the American. While it is still considered most desirable that a Federal General Claims Law be enacted, the Americans feel that by adequate coverage of the British zone the situation would be satisfactory.

All this information was contained in the aforementioned confidential exchange of cables, and the Jewish groups are handicapped by the fact that it has not been conveyed to them officially and that they will have to seek official and high level confirmation.

As far as the transfer problem is concerned, Mr. Kagan reported that a regulation was now in preparation and in process of being cleared by the State Department, which would permit present holders of DM accounts to sell these to foreigners free of control. However, the scope of this license would be limited by the fact that permission to purchase such accounts would be given only to persons planning to invest the money in Germany. This will mean that there will be a great supply of marks, vis-a-vis a rather limited demand for them. However, this regulation, if enacted, should be welcomed as a very great step in the right direction.

Mr. Kagan felt that the Equalization of Burdens question was one of the most difficult problems. He had brought with him from Germany the draft of the proposed German law, which makes no provision for any type of exemption for foreign or persecutee interests. The only provision in this law which might be of some benefit to restitution claimants and the JRSO is an article which provides that a property owner in Germany, who is liable under this tax, may deduct from his assets the amount he has to pay, as restitutor, to any restitution claimant in settlement of a restitution claim. This provision would forestall the attempts of the restitutor to further reduce the amount of the settlement payable by him on the grounds that he will have to pay a high Equalization of Burdens tax on the entire property. However, the organizations must continue to press for exemption, and the struggle on that will be very difficult, since the Germans are making this an issue of their sovereignty.

Mr. Rock stated at this point that on the basis of letters written by Mr. Ferencz after Mr. Kagan's departure, he had gained the impression that the position of the Allies regarding the Court of Appeals was more favorable than that reported by Mr. Kagan. He therefore felt that the situation was not of too immediate urgency.

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Mr. Boukstein pointed out that most of these details were really pertinent only to the exact timing of any intervention. The basic facts remain unchanged and the organizations should immediately discuss and prepare their intended representations.

Dr. Nehemiah Robinson stated that he had always been in favor of the earliest possible action in these matters. He did not put much faith in any statements by State Department officials, if for no other reason than that the persons from whom these statements came were not on a policy-making level and could be overruled and reversed at any time. In his opinion there were only two possibilities. Either the organizations could attempt to obtain such assurances as outlined by Mr. Kagan from a high level authority, such as Mr. Webb or Mr. Acheson, in which case they could be assured that this was a policy which would be vigorously defended by the Americans. Otherwise the organizations might wish to attempt to enlist the support of the other two capitals. Inasmuch as the French and the British would seem rather cynical about this aspect of the problem, it would appear that a truly strong policy by the Americans would be the only salvation and representations to Acheson would be indicated as soon as possible.

Mr. Boukstein re-emphasized that the delegation to Washington would be organized right after the McCloy meeting, provided nothing emerged at the latter meeting which would speak against such a step.

Dr. Goldmann at this point again raised the question whether it was the sense of the group present that he point out to the government of Israel that it would either have to negotiate with the Germans on behalf of its citizens, or else allow a group of world Jewish organizations to carry on the negotiations--in coordination with the government of Israel, of course.

Dr. Hevesi stated that in his opinion everything seemed to indicate such a course as most desirable. He would go so far as to say that even in the case the Israeli government were prepared to enter negotiations with the Germans for its citizens, the Jewish world organizations would still have to make representations also, for the Israeli government, but its very nature, is not able to make representations for citizens and organizations of other countries. He therefore urged that the organizations proceed with the greatest possible speed. A working system should be developed with the French and British groups and definitive plans drawn up. Not only McCloy should be visited but the other commissioners, as well as the governments in Paris and London. A coordinated memorandum should be circulated to all of these authorities.

Eli Rock stated that a decision had been reached earlier to submit a memorandum on these matters, after circulating it to the Jewish groups overseas and working out a definitive version. Dr. Robinson had prepared a first draft. Mr. Boukstein suggested that Dr. Goldmann be given the memorandum to leave with McCloy, but it was pointed out that the memorandum had not yet been cleared with the various organizations and that it would be sufficient to send the memorandum to McCloy later.

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Mr. Boukstein stated that in his opinion the Israeli government had placed the organizations in a difficult position, because by its actions it had broken the line of unified action by the Jewish groups. He felt it therefore of paramount importance that Dr. Goldmann straighten out these matters with the government in Israel during his stay, in order to arrive at some modus operandi. In the meantime, after the meeting in Germany with McCloy, the organizations would organize their delegation to Washington.

Dr. Goldmann then asked the representatives of the various organizations present whether he could tell the government of Israel that, if the latter were not ready to negotiate with the Germans, the Jewish world organizations would be willing to go to Bonn to negotiate. Mr. Rock raised the question, in this connection, whether the JDC, as a non-political organization, would in fact be able to participate in such a program. Under the circumstances, however, it was understood that as many organizations as wished would participate, both here and overseas. Dr. Goldmann indicated that he would not be in Israel for another two weeks, and that the organizations could before then convey their decisions to him through Mr. Boukstein. The organizations agreed that they would advise Dr. Goldmann as soon as possible and the meeting was adjourned.

UNASCE

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Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

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February 20th, 1951

MEMORANDUM

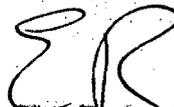
To: Maurice H. Boukstein
Moses A. Leavitt
Mehemiah Robinson
Jerome J. Jacobson

CONFIDENTIAL

From: Eli Rock

Re: Restitution as a Reserved Power

Last Wednesday, while the undersigned was in Washington, he participated in a luncheon conference with Messrs. Rabin, Saul Kagan and two representatives of the State Department. There was further discussion at this meeting of the status of restitution and following the meeting Mr. Rabin prepared a memorandum summarizing the discussion. I am sending you attached a copy of that memorandum for your confidential information.


Eli Rock

ERR:AMF
Enc.

MEMBER ORGANIZATIONS

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

OPERATING AGENTS

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

MEMORANDUM OF CONVERSATION

February 13, 1951

Re: Restitution -- Germany

Participants: Mr. Daniel Margolies, Associate Chief, Division of German Economic Affairs, Department of State
 Mr. Alex Kiefer, Division of German Economic Affairs
 Mr. Eli Rook and Mr. Saul Kagan, JRSO
 Mr. Seymour J. Rubin, AJC

A luncheon meeting was arranged with the State Department people to discuss the problem of restitution in Germany, and particularly to feel out the Department on the question of the United States position via a vis restitution as a reserve power. Although it was, of course, not so stated, a good deal of the discussion proceeded from Mr. Ferenc's letter of February 6, 1951 (Hq. JRSO New York Letter #737).

Very briefly stated, the position of the State Department is as follows:

1. The State Department has instructed the International Study Group in London to take the position that restitution along the present lines should be made a contractual obligation of the Germans, and that this contractual obligation should be safeguarded by provisions for appeal to a unified tribunal consisting of three Allied and two German judges. This is stated to be the present position of the United States, and it is not anticipated that any great difficulty will be encountered in having the British and the French go along with this position.
2. The question of restitution is a matter for discussion in the International Study Group in London. Any communications which may have gone to Frankfurt on this subject have gone only for information and not for discussion. There will be no discussions with the Germans on the subject of restitution until such time as the International Study Group has completed its deliberations and arrived at a position.
3. The United States has taken a firm position on restitution and will continue to take a firm position on restitution. The United States recognizes, however, that the British have certain interests which they consider to be predominant, these being primarily trade interests, and the French have other interests which they consider to be predominant, these being mainly security interests. At such time as discussions with the Germans take place, it is quite conceivable that the Germans will protest violently against the provisions which will be put forward by the three Allies in these various fields, and will argue that the restrictions, etc. are in fact an impairment of German sovereignty, equality, etc. At such time, and it is emphasized that this is a hypothetical future time, it may be anticipated that the British and the French will argue with their American compatriots that the principal American interest should be somewhat compromised rather than the principal British and French interests. If such occurrence does take place, it may be anticipated that there will be negotiations again between the Allies as well as between the Allies and the Germans. For the purpose of deciding what the position of the United States could be under these hypothetical

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circumstances, the Department has been considering possible alternatives to the position which it has instructed its delegation to the Study Group to take. These alternatives are presumably the matters which were described in Mr. Ferencz's letter of February 6th.

4. The Department has not agreed to any position other than the one which it has given to the Study Group in London, and it has not agreed even to consider any alternative which involves a purely German court and purely formal governmental protests to Germany on behalf of restitution claimants who may consider themselves aggrieved. Without indicating the source, it was stated that the State Department representatives that information was circulating in Germany to the effect that State was willing to back down to a much softer position than was described above. This was strongly denied by the State representatives. It was indicated that instructions which had been drafted for the International Study Group had not been very felicitously drafted and that there was some indication in the language of these instructions which might lead to the conclusion that as a last resort the State Department was prepared to accept something like a purely German tribunal and the mere right of governmental protest. This was not in fact the case. The most extreme position being considered, and it was emphasized that this was merely being considered within the Department of State at present and that Mr. Rubin would be consulted before any position was formalized, was a position which would take into account the possibility that Allied protection and supervision might be limited to non-German residents who were restitution claimants. The theory there might be that complaints about invasion of German sovereignty or the principle of equality would be most likely to arise if Allied intervention were had on behalf of persons living under the jurisdiction of the German Government. Since most claims of residents will be out of the way in the fairly near future, and since the bulk of the claims will be those of non-residents, and for the reasons mentioned just above, the Department was considering, as had been previously indicated to Mr. Rubin, the possibility of such an approach. It was reiterated that this was merely a possible approach and that the only definite instructions which were presently outstanding were that restitution should be continued with the unified mixed tribunal, with Allied preponderance being substituted for the present restitution courts, along the French Zone model. It may be mentioned that Mr. Kiefer expressed strong opposition to any line of demarcation between residents of Germany and non-residents, since he believed that such a demarcation would destroy a substantial portion of the moral basis upon which the United States had hitherto based its stand.

Finally, it was indicated that the Department had from the outset been very strong on restitution questions, had given clear instructions, and that it hoped that the interested groups would understand that this had been the case and would be the case. The impression was received that a few boosts as well as knocks might be appreciated by the Department.

Seymour J. Rubin

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C O P Y

January 16, 1951

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

Dear Mr. McCloy:

There has been much concern among various Jewish groups about the forthcoming abrogation of the Occupation Statute and Germany's new role in world affairs. Knowing your interest in the successful completion of the restitution program, I am taking the liberty of attaching for your consideration a brief memorandum which deals with the question of restitution and German sovereignty.

The specific suggestions made are designed to allay some of the fears expressed and to aid in the achievement of the restitution goals.

Respectfully yours,

BENJAMIN B. FERENCE

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enc.

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January 16, 1951

THE U.S. ZONE RESTITUTION PROGRAM AND GERMAN SOVEREIGNTY

Since the Inter-Allied declaration at London in 1943, the Allied governments have repeatedly proclaimed as one of their basic policies in Germany, that victims of persecution would receive the return of properties which had been illegally taken from them during the Nazi regime. The restitution laws which were enacted by the occupying authorities in the three western zones sought to carry out that pledge. Much has been accomplished toward achieving the restitution objective but much still remains undone. As the western powers prepare to increase German sovereignty, it is opportune to consider how this important goal may, within the frame of current world events, yet be successfully achieved.

Experience in applying the restitution law in the U.S. Zone makes it manifestly clear that neither the letter nor the spirit of the prevailing enactment can be enforced without effective U. S. supervision. The German acquirers of Jewish property have, as a general rule, refused to acknowledge any moral or legal liabilities in this field. Associations of restitutors have been organized, which, through publications and lobbying have sought to delay or defeat the restoration of properties taken by duress. Some of the leading German political parties have openly advocated drastic modifications of the law and these sentiments have often been echoed by the German press. The German restitution courts which have been entrusted with the primary enforcement of the Military Government law, frequently require reversal of their decisions by the U. S. Court of Restitution Appeals. There have even been indications of German attempts to evade the binding final rulings of the highest U. S. restitution court. All of these facts make it apparent that the fears of persecutees are not unfounded and the surrender of restitution to complete German control is to mark it for defeat.

It is submitted that the fulfillment of American promises concerning restitution is not inconsistent with other U. S. objectives in Germany. German friendship cannot be acquired by condoning Nazi wrongs. A dependable alliance can only be based upon the support of the truly democratic elements in Germany, and these should consider it no imposition for the U. S. government to complete its program on behalf of victims of Nazi tyranny. It should now be difficult to understand that those who suffered so much at German hands can hardly be expected to again entrust their interests to German control. Moreover, the entire problem is a temporary one which is rapidly solving itself as

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the restitution claims are settled. The brief retention of U. S. supervision in this field until the Allied promises have been fulfilled, should therefore represent no real burden to the German government.

It is accordingly submitted that the German authorities may reasonably be expected to accept the following temporary conditions:

1. The retention of the present restitution law until such time as substantially all pending cases are concluded.
2. The retention of the U. S. Court of Restitution Appeals until such time as substantially all pending cases involving non-German residents are concluded. It should be noted that this court is the principal instrument for the enforcement of the restitution law and the only reliable means available for protecting the interests of those claimants who live outside of Germany.
3. The retention of the present immunities and status of the Jewish Restitution Successor Organization which was designated by Military Government to receive the heirless and unclaimed Jewish assets for relief purposes, and which represents about one-half of the active restitution claims.

To thousands of victims of persecution these points represent a minimum safeguard in an important field. The criticism which followed the denazification procedure should not be allowed to blamish the restitution efforts. The retention of modest U. S. controls, in order to consistently terminate a program which is nearing completion, is not an unreasonable limitation of German sovereignty. Refusal to accept brief U. S. supervision for the orderly conclusion of the restitution program would create serious doubts as to Germany's preparedness for admission to the family of democratic nations.

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JACOB RADER MARCUS CENTER OF THE
AMERICAN JEWISH ARCHIVES
CINCINNATI, OHIO

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Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

April 6th, 1951

MEMORANDUM

To: JRSO Executive Committee

From: Eli Rock

Re: Board of Equity

It will be recalled that Mr. Ferencz was sometime ago requested to review the entire Board of Equity case load, types of cases, etc., for the purpose of presenting an overall and definitive policy regarding the disposition of these cases. We have now received and are attaching herewith Mr. Ferencz's recommendations for a general and overall approach.

May we suggest that the members of the Executive Committee read this material as soon as possible with a view to discussing and passing upon it at a meeting in the very near future.

E.R.

ER:AUN
Enc.

MEMBER ORGANIZATIONS

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

OPERATING AGENTS

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

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

April 2, 1951
File 7010

Mr. Eli Rock
Jewish Restitution Successor Organization
270 Madison Avenue
New York 16, N. Y.

Dear Eli: JRSO Hq. Letter #819
 Board of Equity Procedure

This is a follow-up of my letter #527 and is intended to give you our final recommendations concerning the entire Board of Equity problem.

I am attaching hereto the criteria to be applied in deciding the Board of Equity cases, as well as an indication of the charges connected with each case. The chart will also show you the approximate percentage of cases in the various categories.

The grand total of equity claims thus far received is a little less than 2,000. Eleven hundred ninety-five (1195) of these were included in our Hesse settlement. They had a "list value" of 11,263,000 DM and we received a credit from Land Hesse of about 4,750,000 DM for all of the Hesse equity cases (in about 100 of the cases the transfer took place before 1935 and therefore we settled for 20% of the list value of 1,275,000 or 255,000 DM. On the balance of about 10,000,000 Marks we received about 45% or $4\frac{1}{2}$ million DM in settlement with Hesse.) We have a fairly clear indication therefore, that under the rules now being recommended, the equity procedure would deprive the operating agents of assets valued at no more than about 5 million DM in Hesse, plus possibly the same amount or perhaps less in all of the other laender combined. This sum will be reduced by the service charges which will average around 20% but we cannot tell how much of these charges we will actually be able to collect. My best guess at this time is that the value of the assets surrendered by the operating agents, if all of the present criteria are accepted and the cases granted accordingly, will be around 8 million DM.

You will notice that Rules (1) and (2) of the new criteria are basically the same as the rules recommended and accepted in April 1950.

Rule (3) is a modification of our former recommendation in that it divides the claimants according to categories and relationship to the original owner, and drops the indigency requirement which was the principal source of resentment against the JRSO. All claims are to be granted but the charge varies according to the degree of relationship and the value of the case. The theory is to charge according to ability to pay, as indicated by the value of the property, but this presumption is rebuttable. The charges vary from as little as 5% for the closest relatives, in a small case, to as much as 70% for distant heirs in a large case.

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Where there is persuasive evidence of indigency, we are authorized to reduce the total charge to as little as 5%, in all cases where we merely assign the claims, or 10% where we have seen the case through and are actually turning over the property or the proceeds. We may also lower the standard charges where the actual recovery by the claimant is substantially less than the JRSO appraised value. The initial "value" of the property will be determined here by our standard tests.

X Rule (4) is simply designed to save us all of the administrative work involved in petty cases. "Equity does not stoop to pick up pins." In every case we must have the documents, establishing the right of inheritance, we must apply for an individual license to assign and have a rather voluminous exchange of correspondence, as well as examinations of the files by various lawyers. The work involved costs the JRSO more than 500 DM and therefore these cases should be automatically excluded from our consideration.

For the Hesse cases, since we have already sold them with an option to re-buy, we have decided upon different handling. If we were to offer the claimants the amounts we received, less the standard charges, we would have the problem of paying out cash now to the claimants and only collect from Hesse in about a year's time. In order to compensate for this advance payment by us, we have added an additional amount of 15% (over and above the 10% indicated in Par. 3(a)) to cover the year's "credit" to the claimants and the risk involved to the JRSO that, for one reason or another, we may not be able to collect from Hesse. We know that this substantially reduces the amount which the claimant may be anticipating and therefore we offer him the option of having us re-buy the claim from Hesse for the price they paid us for it and then assigning that claim to the claimants with the normal service charge. He then faces the problem of obtaining a lawyer and seeing the case through on his own in the hope that he will obtain a better result. Since we give the claimant the choice I think we may be spared the accusation of having exploited him. I would not recommend giving him such a choice with anything less than the 15% surcharge since the risks to the JRSO are not to be underestimated.

The claimants accepting assignment of claims only will have to promise to pay the service charges to the JRSO, but as indicated, these promises will be exceedingly difficult to enforce. Where we are assigning property already recovered for the claimant, we can enter a mortgage for our charges, where such action is justified by the amounts involved.

The claimant will be advised that after the assignment of the claim, they may be represented by their own attorney or if they are unable to retain counsel, they may take their case to the Legal Aid Dept. which will handle the matter for them just as it handles all other cases, and for which the LAD standard charges will also be applied.

X You will notice that in rule (6) we have a saving clause which would enable us to give special consideration to any case which, for reasons unforeseeable, could not be fairly treated under the present rules. This decision would have to be left to our discretion.

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We will have to draw up various forms, explaining this procedure to the claimants and requiring them to sign the various agreements surrendering any further claims against the JRSO. These are supplementary problems which we shall work out here but if you have any views on them, they would be welcome.

As I indicated in my letter #527, I think these rules should now be considered by the operating agents and then approved by an impartial "Board of Equity" which if necessary could also be convened to consider any of the "special cases" we may refer back to New York. I do not believe there will be many cases which cannot be settled here, or by the operating agents, but the fact that we can say that an impartial Board has approved these rules, will strengthen our position in defending them.

We have all spent much time and thought in analyzing these problems which are by no means simple. We all feel that the rules now suggested are fair and equitable and therefore urge that you take this matter up with the operating agents just as soon as possible, with a view toward obtaining their speedy approval.

Cordially yours,

BENJAMIN B. FERENCZ

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CRITERIA FOR EQUITABLE DETERMINATION OF CLAIMS BY PERSONS WHO LOST THEIR LEGAL RIGHTS BY FAILING TO FILE THEIR PETITIONS FOR RESTITUTION WITHIN THE TIME LIMIT PRESCRIBED BY U. S. MILITARY GOVERNMENT LAW 59.

1. The JRSO will grant the claim, without any charge, in every case where the failure to file on time was caused by justifiable reliance upon official Military Government information that no claim was necessary in order to protect the claimant's rights.
2. The JRSO will grant the claim, without any charge, in every cases where the name of the Jewish owner was never actually removed from the real estate registry despite the Nazi decree providing for the automatic transfer of title to the Reich and he or his heirs have recovered or can recover the property even though no restitution claim was filed.
3. The JRSO will grant the claim subject to the prescribed charges in the following cases:

Relationship of Claimant to Former Owner	Service Charge based on Value of Property				Approx. Percentage of Claimants Covered
	Value up to DM 10,000	DM 10,000 to DM 20,000	DM 20,000 to DM 50,000	Over DM 50,000	
<u>Category (1):</u> Former Owner, Spouses, Children, Grandchildren, Parents or Grandparents and Testamentary Heirs of the Former Owner	5%	10%	15%	20%	80%
<u>Category (2):</u> Brothers and Sisters	10%	15%	20%	25%	7%
<u>Category (3):</u> Nephews, Nieces, Cousins, Aunts and Uncles	20%	25%	30%	35%	7%
<u>Category (4):</u> Other Heirs (e.g. Sons and Daughters-in-Law, Brothers and Sisters- in-Law)	30%	40%	50%	60%	6%

(a) Where the JRSO has actually recovered and gives up the property or the proceeds thereof there shall be a surcharge of 10% in addition to the charges indicated above.

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- (b) Where the claimant presents persuasive evidence establishing to the satisfaction of the JRSO that he is indigent, all charges can be reduced to as little as 5% where a claim is assigned or 10% where the property itself or its proceeds are given to the claimant.
- (c) Where the amount actually recovered by the claimant is substantially less than the value appraised by the JRSO that shall constitute cause for considering a reasonable rebate on the charges assessed.
4. The JRSO will not consider any cases where the value of the object claimed is less than 500 DM. Where several objects are claimed, the total value must be in excess of DM 500.
5. In all cases where the property is located in Land Hesse, the JRSO shall give the claimant an option of either ;
- (1) accepting the conditions outlined above, or
 - (2) accepting from the JRSO an immediate cash payment amounting to the sum credited to the JRSO by Land Hesse for the property concerned less the standard charges which shall be increased by 15%.
6. Where, in the opinion of the JRSO Headquarters Muerenberg, there are facts which indicate that the application of the criteria mentioned above may be inequitable, such cases may be referred to JRSO New York for special consideration.

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Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

332860

April 10th, 1951

MEMORANDUM

To: JRSO Executive Committee

From: Eli Rock

Re: Pension Claims

The Executive Committee will recall the several discussions in the past in connection with claims for assumption of pension obligations by the JRSO, submitted by former employees of Gemeinden and other communal organizations. We are sending you attached correspondence dealing with a recent case under this heading and it is hoped that this specific case, as well as the general problem, may be dealt with further at the forthcoming Executive Committee meeting.

By way of confirmation of the telephone notices, may we remind you that the Executive Committee meeting has been scheduled for Thursday, April 12th, at 4 P.M. in the offices of the JDC. We look forward to seeing you at that time.

Eli Rock

ER:AUN

Enc.

MEMBER ORGANIZATIONS

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

OPERATING AGENTS

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

February 21st, 1951

MEMORANDUM

From: Eli Rock

Re: Pension Claim -- Mrs. Theodore Rothschild, widow of former director of
"Wilhelmspflege", orphanage in Esslingen

Following previous correspondence, this afternoon I received a visit from a Dr. A. Schweizer, who had interceded with us on behalf of Mrs. Rothschild in the above matter. Dr. Schweizer, it turns out, was a lovely white-haired gentleman, aged 76, who had come all the way from Forest Hills through a cold rainstorm in order to discuss the matter. Very briefly, the facts as he presented them are as follows:

The above orphanage was established in 1831 and he, Dr. Schweizer, was its last chairman, or what we might call president (German equivalent of Vorstand). He had been a practicing lawyer in Stuttgart and was fortunately able to escape in the late 1930's after having once returned to Germany from the U.S. in order to facilitate the exit from the country of some of the remaining children in the orphanage. The late Dr. Rothschild, prior to his deportation, had been the head master or the director of the orphanage for over forty years. As one of his last official acts prior to the Hitler pressure, Dr. Schweizer had entered into a written agreement with Dr. Rothschild whereby the orphanage would pay the latter a specified pension for the rest of his life and, after his death, the same pension to Dr. Rothschild's widow, should she survive him. Unfortunately, Dr. Rothschild was deported and died in Theresienstadt but his wife miraculously survived and is today living in Philadelphia. Dr. Schweizer claims that Mrs. Rothschild is entitled now, under his agreement with her husband, to a pension of DM 240 monthly.

The JRSO has in fact already recovered the orphanage, which was a massive building with much land around it. Although he does not know the sales price, Dr. Schweizer informed me that the JRSO had sold the orphanage to the Land Wuerttemberg-Baden and the latter is now in possession of the property. It is Dr. Schweizer's firm conviction as a lawyer, and he has consulted German lawyers on the matter, that the "legal" obligation of the orphanage to Dr. Rothschild and his wife is payable out of the proceeds of the property. He is fully prepared, and the old gentleman is really determined in this one-man campaign of his, to take the entire matter to the German courts; it should be mentioned parenthetically that he regards this claim as a matter of honor, involving his personal commitment on behalf of the orphanage and that he is receiving no fee. He has already written to various Jewish leaders, such as Edward Warburg and also to Mr. McCloy. He received an answer from the latter's office suggesting that he get in touch with the JRSO here in New York, which led up to his visit to me.

I outlined generally to Dr. Schweizer the attitude of the JRSO regarding pension matters and stated that we did not regard this as an obligation of the

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JRSO, but indicated that I would nevertheless take his case up with the officers of the JRSO. He took great pains to indicate that he did not desire to pressure us, and that he would wait for our answer in due course. At the same time he made it clear that he would, in accordance with the advice of his German attorneys and his own conviction, begin a court proceeding promptly upon receipt of a negative answer from us, should that be our decision.

E.R.

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C O P Y

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

13 March 1951
BBF/uk

Mr. Eli Rock
Jewish Restitution Successor Organization
270 Madison Avenue
New York 16, N. Y.

Hq. JRSO New York Letter #776

Dear Eli,

I am writing in reply to your letters #520 and 521 dealing with the pension claim of Mrs. Rothschild.

My letter #746 gave you most of the essential facts in the Rothschild case. It is impossible to obtain for Mrs. Rothschild a preferential treatment on her indemnification claim in Wuerttemberg-Baden. The authorities there are beginning to consider priority II claims but we do not yet know of any such payments. It would not seem unreasonable to me if as an equitable matter the Operating Agents were to put aside a small fund out of which the demands of persons such as Mrs. Rothschild might be met in whole or in part. I would certainly not at this point want to recognize any legal liability on the part of the JRSO for such claims nor would I want to encourage such claimants to come to the JRSO. However, where we have taken over the full assets from which a pension should have been paid and the claimant is really in dire financial need then the Operating Agents, as charitable organizations, may want to contribute toward that pension. This action might also pay dividends in the form of decreased attacks against the JRSO.

.....
Cordially yours,

BENJAMIN B. FERENCZ

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C O P Y

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

19 February 1951

Mr. Eli Rock
Jewish Restitution Successor Organization
270 Madison Avenue
New York, New York

SUBJECT: Pension Claimant Hq. JRSO N.Y. Letter #746

Dear Eli,

With reference to your letter No. 595 I am sending you a copy of my letter to the Property Division which dealt with the same case.

We have a lengthy file on this case and have gone over the matter fully with Dr. Schweizer. Legally our position is a correct one. However, we will continue to be plagued by such demands and the Operating Agents may want to consider the possibility of establishing a fund to meet such claims. Even morally our liability, if any, should be limited to those persons who are entitled to a pension from a Gemeinde which no longer exists and whose total assets the JRSO has taken over. Since we did acquire and sell the Esslingen orphanage, Mrs. Rothschild's claim might fall into that category.

We cannot continue to pass the buck indefinitely on these matters and we should make up our minds whether to meet their demands or to tell the people plainly that they may proceed to sue us or take such other measures as they see fit.

Regretfully yours,

BENJAMIN B. FERENCZ

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C O P Y

5 January 1951

Mr. William G. Daniels, Chief
Property Division
Office of Economic Affairs, HICOG
APO 757, U.S. Army

Dear Bill,

Subj.: Pension Claim against the JRSO

I am writing in reply to your letter of December 18th dealing with the pension claims asserted by Mr. Alfred J. Schweizer on behalf of Mrs. Ina Rothschild.

The JRSO has received numerous petitions from persons in various parts of the world requesting that different amounts of JRSO assets be allocated to them because of pension claims they have against dissolved Jewish associations. The most recent request has been from the Council for the Protection of the Rights and Interests of Jews from Germany which has demanded 20% of all JRSO receipts. Another request has just been received for 20% of all JRSO assets to be used for reestablishing Orthodox synagogues in Israel.

On the 19th of April 1950 Mr. Schweizer was advised by the Stuttgart Kultus Ministry that Mrs. Rothschild would have a valid claim under the Indemnification Law of 16 August 1948 (Reg.Bl. fuer Wuerttemberg-Baden 1919 S.187) and that, if the JRSO would not fulfill her demand it would be met by the Stuttgart Indemnification Office with which Mrs. Rothschild had filed a claim.

As a relief agency the JRSO will distribute the assets recovered for the rehabilitation of survivors of persecution according to need. It is unfortunately impossible to promptly accede to the many requests reaching the JRSO Offices regularly. Under the prevailing currency regulations, even if Mrs. Rothschild's request were to be granted, it would simply give her a blocked account of 274.- marks monthly, and this would be of no practical value in easing her present conditions in Philadelphia. Under these circumstances it has been felt that the first JRSO receipts, which can only be spent in Germany, would have to be used for the more immediate and pressing relief needs here.

Under the existing laws there is no legal liability on the part of the JRSO to meet this claim and, indeed, there is legal provision for having it met by the Stuttgart Indemnification Office, nor can the JRSO at this time meet her request on any other grounds, since it would be of no real help to her and the funds can only be allocated after the most pressing needs have first been met and an overall survey of assets and demands has been made. You may want to suggest to Mr. Schweizer that he take up this matter with the JRSO Office at 270 Madison Avenue, New York 16, N. Y., where it can be evaluated with other similar petitions.

Sincerely yours,

BENJAMIN B. FERENCZ
Director General

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M I N U T E S

JRSO EXECUTIVE COMMITTEE MEETING

Thursday, April 12, 1951

Present were: Mr. Moses A. Leavitt, JDC - President
Mr. Maurice M. Boukstein, JAPP
Mr. David Glickman, AJC
Dr. Nehemiah Robinson, WJC
Mr. Eli Rock, Secretary

Mr. Herman Muller, Council of German Jews
Mr. Eugene Hevesi, AJC

1. Appointment of New Director from Anglo-Jewish Association

The first item on the agenda involved the vacancy on the Board of Directors created by the resignation of Mrs. Neville Blond, who had been designated by the Anglo-Jewish Association. The Anglo-Jewish Association had indicated that it wished Mr. E.F.Q. Henriques to succeed Mrs. Blond as one of their representatives on the Board of Directors. It was the feeling of the Committee that under the by-laws only the Board of Directors was authorized to fill vacancies on the Board. In order to provide for such contingencies in the future, however, it was decided that an amendment be proposed at the next Board of Directors meeting, which would authorize the Executive Committee to fill vacancies between meetings of the Board of Directors. In the meanwhile, Mr. Henriques would be treated, in an informal manner, as though a member of the Board.

2. Board of Equity Problem

The second item concerned the new recommendations received from Nurnberg regarding the Board of Equity procedures. These new criteria had been circulated to all members prior to the meeting. Dr. Robinson now raised the question of item No. 4 of the criteria, which automatically excludes all property worth less than DM 500 from equity considerations. In Dr. Robinson's opinion it might certainly not be worth while for JRSO to process such minor claims, but he could see no reason why such a claim should not be forthwith turned back to the claimant, particularly in view of the paltry sum involved. It was the decision of the Committee that Mr. Ferencz be contacted on the matter and asked for any further reasons he might have for including this particular provision. The Committee would be interested in knowing how many such cases there are, the nature of same, etc. If there were no special circumstances precluding it, it would appear reasonable that whatever few cases fell into that category be turned back to the claimants, although the claimant might certainly be required to pay something for the JRSO's expenses.

There was also some discussion as to point 6 of the proposed criteria, and the reference to this rule in Mr. Ferencz's covering letter. Dr. Robinson pointed out that the wording of this saving clause raised some question as to whether the proposed criteria were all-inclusive and contemplated that all property should be

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returned pursuant to the criteria, or whether the criteria were not all-inclusive and left some situations in which the property might not be returned. Mr. Rock pointed out that in his opinion it seemed very clear that the criteria contemplated returning all property subject only to the various rules regarding fees, etc., but that he would clarify the matter further with Mr. Ferencz.

Dr. Muller then read to the meeting a cable he had received from the Council in London which read as follows:

PROPOSED JRSO CHARGES TOO HIGH. TENTATIVE SUGGESTIONS TEN PERCENT LIMIT FOR CATEGORIES ONE AND TWO TWENTY PERCENT LIMIT FOR CATEGORIES THREE AND FOUR NO SURCHARGE AND IN HESSE CASES NO INCREASE BY FIFTEEN PERCENT

Mr. Boukstein felt that in consideration of all the circumstances the charges proposed by Mr. Ferencz were perfectly fair. If the claimants had retained attorneys of their own, they would have had to pay much higher fees; moreover, a number of individuals under categories 3 and 4 would not even be considered heirs under American law.

Dr. Robinson felt that in general the charges were fair, but that JRSO should not impose any charges higher than 50% in any case. After some discussion, it was agreed that Mr. Ferencz should be requested to revise the proposed criteria so as to provide that the fees will not exceed 50% in the few instances where that might happen under the present criteria.

Mr. Rock also pointed out that Mr. Ferencz had considered it desirable that these criteria be approved by an outside "Board of Equity", which would also possibly sit on special, controversial cases which might arise in the future under the criteria. Mr. Rock further pointed out that a number of individuals had been suggested for this purpose in the past, but that no selection had ever been made. It was the decision of the Committee that Rabbi Philip Bernstein, Judge Simon Rifkind, and Judge Louis Levinthal be invited to serve on such a Board of Equity.

Mr. Rock also mentioned the request of the American Association of Former European Jurists, that they and other, similar organizations be permitted to offer their comments on the new criteria before they became final. It was Mr. Leavitt's and the Committee's opinion that the German-Jewish groups were adequately represented on the Board through the representatives of the Council of German Jews, and that the JRSO could not attempt to clear its actions with any and all separate groups. The Council of German Jews was of course perfectly free to discuss the matter with the "Association" if it so wished.

3. Pension Claim of Mrs. Ina Rothschild

The third problem on the agenda involved pension claims of former employees of Jewish communal institutions in Germany, with specific reference to the claim of Mrs. Ina Rothschild. Mrs. Rothschild's late husband had been for forty years headmaster of an orphanage in Esslingen, and his employment contract provided for a life-time

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pension payable either to him or to his surviving wife. JRSO had since recovered the property of the former orphanage and sold it to Land Wuerttemberg-Baden. Mrs. Rothschild, through her representative, the former president of the orphanage, now claimed that the JRSO was liable to pay her pension.

It was the opinion of the Committee that the JRSO was not legally liable for any pension payments of this type, but that they were the obligation of the German Government; for the JRSO to take over the burden would relieve the Germans and deprive the Jewish persecutee beneficiaries of JRSO's funds. Moreover, to admit any kind of liability whatsoever in this type of case would invite the claims of hundreds of similarly situated claimants. In view of the straightened conditions of the claimant and the very special circumstances prevailing in this case, however, the Committee wished to render some assistance to her. Inasmuch as her claim against Land Wuerttemberg-Baden, under the General Claims Law, was presently pending and it might be expected that she would receive her pension payments from the Land once her claim had been adjudicated, it was the decision of the Committee that the JRSO in Germany make available to her monthly the sum of DM 240, as a repayable advance, for a period not to exceed 12 months. It was to be clearly understood that this was not any recognition of liability on the part of the JRSO, but rather an action to alleviate the hardships of this claimant until her legal claim against the Land Wuerttemberg-Baden had been recognized.

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19 April 1951

Mr. Eli Beck
Jewish Restitution Successor Organization
270 Madison Avenue
New York 16, N.Y.

Hq. JRSO N.Y. letter # 836

**SUBJECT: Pre-war External Debts of the German Reich and
the Jews.**

Dear Eli,

This subject is guaranteed to produce gray hair. The issue itself was closely connected with the negotiations preceding the recent revision of the Occupation Statute. The exchange of correspondence between the Allied High Commission and the Federal Republic clearly commits the Federal Republic to the liability for the pre-war external debt of the German Reich. (Whether they will pay is another question.) I am quoting below pertinent passages from this correspondence for your guidance:

The Allied High Commission wrote on October 23, 1950:

"The three governments consider that the Federal Government should in consonance with what has been said above, assume responsibility for the pre-war external debt of the Reich. They recognize that, in the determination of the manner in which and the extent to which the Federal Government is to fulfill the obligations arising from this assumption, account must be taken of the general situation of the Federal Republic including in particular the effect of the limitations on its territorial jurisdiction."

Dr. Adenauer replied on March 6, 1951:

"The Federal Republic hereby confirms that it is liable for the pre-war external debt of the German Reich, including those debts of other corporate bodies subsequently to be declared liabilities of the Reich, as well as for interest and other charges on securities of the Government of Austria to the extent that such interest and charges become due after 13 March 1938 and before 8 May 1945."

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The acknowledgment by the present government of the responsibility for pre-war external debts of the German Reich presents for us the immediate question of safeguarding our claims which may fall within the definition of "pre-war external debts".

I understand that a conference of all creditors is scheduled for June. This conference is being organized by the three governments together with the German government. I am informed that invitations will be issued by the State Department and the British and French Foreign Offices.

I recommend that the State Department be approached with a request to extend an invitation to the JRSO to attend the projected conference of creditors. (Similar approach will have to be made in London on behalf of JTC.)

In making our representations to the State Department we should point out that the JRSO is a foreign corporation vested with claims against the Reich resulting from confiscations which took place before September 1, 1939. We should also state in this connection that the vast majority of individuals, or their heirs and successors, subjected to the one billion mark levy of November 1938, constitutes a foreign interest. (Art. 15 of Law 59 clearly specifies that a judgment directing restitution shall have the effect that the loss of the property shall be deemed not to have occurred. Thus, a judgment directing restitution of an asset confiscated prior to September 1, 1939, will place the claimant in the position of the rightful owner on that date.)

In view of the above we feel justified in demanding ^{that} all claims for assets confiscated by the Reich before September 1, 1939, which have been lodged by persons residing outside of Germany, should be dealt with at the time that the other pre-war external debts of the Reich are being considered. The fact, that claims may have been filed under the restitution laws or general claims laws, should not bar any foreign interest from asserting now these claims against the Federal Republic, after it acknowledged liability for certain Reich debts. On the contrary, the restitution laws provide the mechanism for establishing a clear title to a payment from the Federal Republic. I know that there is disagreement among the three Western Powers concerning the definition of an external debt. It is, for instance, not resolved whether the creditor must have been a foreigner at the time the debt was incurred. There may, therefore, still be room for insisting that the present status of the creditor be the only determining factor for this purpose. I wish to call your attention to Adenauer's statement which refers to Austria and does not limit itself to obligations incurred within the territory of the Federal Republic.

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It is to be expected that neither the governments nor the "Normal" creditors will welcome us as participants in this conference. Therefore, it is premature to embark upon a precise determination of our claims which may fall within this category. We must first resolve the issue in principle. If we can succeed in crawling under the wire into the foreign creditors corral, our chances to get some "feed" are infinitely greater than under special persecutes legislation. After all, wherever we turn in HICOG, we hear only one song: "Safeguard the German economy, husband its foreign exchange, so that the Federal Republic is enabled to discharge its foreign obligations, satisfy its foreign creditors!"

This letter is intended only as a curtain-raiser. I am confident that from your discussions with the four organizations there will emerge a sounder presentation of the problem and a clearer program of action. Unfortunately there is little time.

Cordially,

SAUL KAGAN

cc: S. Ebin ✓
N. Robinson
JJJ

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May 15, 1951

Mr. Eli Rock
c/o AJDC
119 Rue St. Dominique
Paris 7, France

Dear Eli,

I just received the following information about the Jewish Successor Organization in the French Zone of Germany:

"This problem has taken a very favourable turn since. Mr. Robert Schumann, Foreign Minister of France, has given precise instructions to the French occupation authorities (economical & financial direction) to publish the order according to which the creation of a successor organisation entrusted with the administration of Jewish heirless property in the French zone of Germany was planned.

"We are all hopeful that this publication will appear in the 'Journal Officiel' by the end of May.

"The endeavours which have been made for these last three years are thus leading up to realization.

"Regarding the two claims on which the Quai d'Orsay insists, and about which I wrote to you in my preceding correspondence:

- 1° - predominance in the number of seats to be given to the French Jewish organizations in the directorial committee,
- 2° - priority to claims presented by Jewish victims of nazism, residing either in France or in the French zone of Germany,

the Quai d'Orsay has by now given up claim n° 2, and only maintains claim n° 1. This new position was accepted by us.

"As soon as the afore-mentioned order is published, the organisations concerned will meet and contemplate the practical details and the procedure for setting up the planned authority."

I would appreciate hearing from you in this and any other matter of interest.

With kind regards,
Yours sincerely,

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NR:ls

Nehemiah Robinson

WJC ABC