

DECLASSIFIED
Authority UIND 862917
By BT NARA Date 6/9

RG 59
Entry CONFIDENTIAL (34)
File 263.0041/3-251
Box 6

UNCLASSIFIED
(Classification?)

DO NOT TYPE IN THIS SPACE
263.0041/3-251

FOREIGN SERVICE DESPATCH

FROM : VIENNA 894 March 2 1951 DC/R
TO : THE DEPARTMENT OF STATE, WASHINGTON. AIR POUCH
REF :
SUBJECT: STATISTICAL SUMMARY OF RESTITUTION CLAIMS UNDER AUSTRIAN RESTITUTION LAWS AS OF JANUARY 31, 1951. EUR INFO

1 file
For Dept. Use Only
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Transmitted herewith as Enclosure No. 1, is a translation of a report issued by the Federal Minister of Finance, dated February 20, 1951, concerning the "Status of Restitution of Alienated Property to the 31st day of January, 1951". Enclosure No. 2 is a translation of an article which appeared in the semi-official Wiener-Zeitung on February 28, 1951, briefly summarizing the contents of the report and indicating the number of new claims that were filed in the year 1950.

The Department will note that considerable progress has been made toward the fulfillment of the Austrian restitution program but that of the claims filed through January 31, 1951, 1949 (about 17%) under the First Restitution Law, 379 (about 32%) under the Second Restitution Law and 7108 (about 26%) under the Third Restitution Law are still pending or to be considered. Appeals are in general being adjudicated very expeditiously.

For the High Commissioner:

Walter Dowling
Walter Dowling
Deputy High Commissioner

EAM
EAMag/gm

- 2 Enc.: 1. Report Min of Fin
- 2. Article Wiener-Zeitung

RECEIVED
DEPARTMENT OF STATE
1951 MAR 9 AM 11 56
RECORDS BRANCH

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JUN 11 1951
FILED

UNCLASSIFIED

ACTION COPY - DEPARTMENT OF STATE

MAR 6 1951 The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

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Authority <u>IND 862917</u>
By <u>BT</u> NARA Date <u>10/9</u>

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Box <u>6</u>

SECURITY : UNCLASSIFIED

Enclosure No. 1 to Despatch No. 894, dated March 2, 1951

(Page 1)

Federal Ministry of Finance,
Vienna I, Ballhausplatz 1.

ZL 166.873-34/51

STATUS OF RESTITUTION OF ALIENATED PROPERTY
TO THE 31ST OF JANUARY 1951

I. Applications pursuant to the First Restitution Law which deals with the restitution of alienated property now being administered by the Austrian State or Land Government.

Authority	Filed in Jan 51	Total filed	Withdrawn or trans- ferred	Granted	Denied	Pending	Not yet con- sidered
Vienna, Lower Austria and Burgenland	37	8935	353	6330	480	1523	249
Upper Austria	9	574	59	387	96	26	6
Styria	3	809	30	472	218	79	10
Salzburg	-	350	25	254	57	14	-
Carinthia	1	238	19	103	79	37	-
Tyrol	-	215	26	156	29	4	-
Vorarlberg	-	44	1	41	1	-	1
	50	11165	513	7743	960	1683	266

II. Applications pursuant to the Second Restitution Law which concerns restitution of alienated property, the title to which had passed to the Austrian State.

Authority	Filed in Jan 51	Total filed	Withdrawn or trans- ferred	Granted	Denied	Pending	Not yet con- sidered
Vienna, Lower Austria and Burgenland	3	609	12	250	30	277	40
Upper Austria	1	126	8	52	53	13	-
Styria	2	151	13	53	43	40	2
Salzburg	-	76	5	24	36	11	-
Carinthia	-	82	4	48	35	3	-
Tyrol	-	78	16	35	16	10	1
Vorarlberg	-	48	12	28	6	1	1
	6	1170	70	482	219	335	44

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Enclosure No. 1 to Despatch No. 894, dated March 2, 1951

(Page 2)

Disposition of Appeals by the Federal Ministry of Property Control and Economic Planning.

Total of appeals until Jan 51: therefrom		First Restitution	Second Law
1.	granted	141	79
2.	denied	318	54
3.	withdrawn	42	20
4.	pending	24	17
5.	not yet considered	12	15
		<u>537</u>	<u>185</u>

III. Applications pursuant to the Third Restitution Law which provides for the restitution of real and personal property now in the hands of persons, corporations, etc.

Authority	Filed in Jan 51	Total	Withdrawn	Trans- ferred	Granted	Settled	Denied	Pend- ing
RK Wien	103	19615	2465	889	3874	5585	830	5972
RK Graz	42	3670	868	97	654	885	829	337
RK Linz	17	2630	440	214	604	364	315	693
RK Innsbr.	3	1380	177	35	452	247	363	106
	<u>165</u>	<u>27295</u>	<u>3950</u>	<u>1235</u>	<u>5584</u>	<u>7081</u>	<u>2237</u>	<u>7108</u>
ROK Wien	144	4593	106	92	2792	527	860	216
ROK Graz	20	1090	11	-	786	122	167	4
ROK Linz	12	556	3	6	374	39	117	17
ROK Innsbr.	8	319	4	7	125	4	142	37
	<u>184</u>	<u>6558</u>	<u>124</u>	<u>105</u>	<u>4077</u>	<u>692</u>	<u>1286</u>	<u>274</u>
ORK Wien	62	1293	-	-	910	252	68	63

Number of compromises, renouncements and acknowledgments filed with the district administrations, pursuant to Sec. 13(2) of the Third Restitution Law.

January 31, 1951

Vienna	4350	Carinthia	475
Lower Austria	862	Salzburg	164
Upper Austria	425	Tyrol	207
Muehlviertel	82	Vorarlberg	185
Styria	705	Burgenland	229
			<u>7684</u>

February 20, 1951
 For the Federal Minister:
 /t/ Dr. K l e i n

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Authority UND 862917By BT NARA Date 10/9

RG

Entry COPIES (34)File 263.0041/3-251Box 6

SECURITY : UNCLASSIFIED

Enclosure No. 2 to Despatch No.894, dated March 2, 1951

WIENER ZEITUNG, February 28, 1951.

The Restitution Laws Carried Into Effect

First Restitution Law

In 1950 only 987 new claims were filed under the First Restitution Law: accordingly the total number increased to 11,115 up to December 31. Of this number, 511 were withdrawn or transferred up to the end of the year; 7656 were approved; 949 were refused; 1717 were pending, and 282 had not yet been acted upon. In January 1951, 50 new claims were filed. A total survey of February 1951 will probably be submitted only about March 15.

Second Restitution Law

The increase in new claims amounted to 145 in 1950; accordingly the total number of claims filed was 1170 (in January 1951, 6 new claims were filed); of these, 70 were withdrawn or transferred up to the end of 1950, 482 were approved, 219 refused, 355 were pending and 44 had not been acted upon. Appeals for review were filed in the Federal Ministry up to January 31, 1951; 537 under the First Restitution Law, 185 under the Second Restitution Law. At the end of last year, 36 matters were pending under the First, and 32 matters under the Second Restitution Law.

Third Restitution Law

Surveys concerning claims under the Third Restitution Law have been submitted only for the period up to the end of January, 1951. Last year the total number of claims filed was 24,095 by the beginning of January, and 27,130 by the end of December. In January 1951 the number of new cases was 165; accordingly the total number of claims filed up to January 1951 was 27,295.

Up to January 31, 1951, in the Restitution Commissions, 3950 claims were withdrawn, 1235 claims transferred, 5584 approved (approval confirmed by the Superior Commissions), 2337 refused (set aside or refused by the Superior Commissions), 7081 settled (submitted to changes or settled by other ways and means by the Superior Commissions), and 7108 matters were still pending before the Commission of the First Instance.

31,
On January/1951, the key date, the number of pending cases was 63 in the Supreme Restitution Commission, and 274, in total, in the Superior Restitution Commission Vienna, Graz, Linz, and Innsbruck. A survey of the total numbers proves the fact that in general the number of approvals outweighed the number of refusals; only the Restitution Commission Graz has so far recorded 829 refusals in comparison with 654 approvals (337 cases still pending), and the Superior Restitution Commission Innsbruck has recorded 142 refusals in comparison with 125 approvals (37 cases pending).

Up to January 31, 1951, statistics have recorded 7684 cases of settlement, withdrawal and approval filed under Section 13, subpara. 2 of the Third Restitution Law.

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Authority <u>AND 862917</u>
By <u>BT</u> NARA Date <u>10/9</u>

RG	<u>59</u>
Entry	<u>CP (1950-51)</u>
File	<u>#84051</u> <u>FR 20</u> <u>CLASS</u>
Box	<u>2801</u>

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Authority AND 862917

By BT NARA Date 10/9

RG

59

333943

Entry

CPF (1960-9)

File

#84051 Fanzo
Case 11

Box

4891

July 20, 1942

No. 3071

To the American Ambassador,
Rio de Janeiro.

The Secretary of State encloses a copy of a letter from The American Jewish Committee of New York to the Under Secretary of State concerning decrees which have been adopted to control commercial and financial transactions in which the Axis have an interest, and alleging the failure on the part of the government to which you are accredited to differentiate between friendly and hostile aliens with the result that hardship has been caused. It would be appreciated if an investigation could be undertaken and a report submitted to the Department concerning this allegation.

Enclosure:

Copy of letter from
The American Jewish
Committee of New York.

JUL 18 1942

A true copy of
the enclosed
is
11/2/42

FF:DH:GEP 7/17/42

840.51 FROZEN CREDITS/7208

PS/BDB

840.51 F
732-5151

DECLASSIFIED
Authority: IND 862917
By: BT NARA Date: 10/9

RG 59
Entry CDF (1942)
File #84051 PART 1
Box 2801

October 13, 1942

In reply refer to
FF

My dear Mr. Waldman:

This is in reference to my letters of July 23, August 19 and August 22 concerning the alleged failure on the part of certain of the other American republics to differentiate between friendly and hostile aliens in the administration of their freezing controls. A report has just been received from the American Embassy at Caracas on this subject in which it is stated:

"While the Venezuelan freezing control decree of December 11, 1941 and subsequent resolutions provide for indiscriminate freezing of funds pertaining to nationals of countries at war with any of the American nations, the application thereof has been lenient and, as far as reported to the Embassy, no friendly aliens of such nationalities have suffered unduly from the permit system established.

"The foregoing opinion has been substantiated by the Secretary of the Venezuelan Jewish Association (Asociacion Israelita de Venezuela), Mr. Albert I. Foinquinos, who, it may be added, was delegate of the Venezuelan Community of Jews to the Inter-American Conference of the Jews at Baltimore in November 1941."

Sincerely yours,

Sumner Welles

Acting Secretary

Mr. Morris D. Waldman,
Care of The American Jewish Committee,
386 Fourth Avenue,
New York, New York.

OCT 13 1942 PM

Handwritten initials

FF:DH:AKW
10/9/42

Handwritten initials and signatures: JED, TALE, RA, etc.

A card copy of this document is being made.

840.51 FROZEN CREDITS / 7208

840.51 FROZEN CREDITS / 7208

PS/A 1

DECLASSIFIED	RG	59
Authority: UNID 862917	Entry	CDF (1950)
By: BT NARA Date: 10/9	File	#S4051 FRIED CROSS
	Box	LEW

Haitian officials as applying only to funds of persons specifically listed on the Blacklist of the President of Haiti. The funds of other enemy aliens are controlled but are not confiscated. The Legation concludes by stating that while a literal interpretation of the control laws would not provide a distinction between friendly and hostile aliens, a number of administrative decisions over the past nine months have made such a distinction.

As soon as reports shall have been received from the American Embassies in Brazil and Venezuela and the Legation in Guatemala, I shall advise you accordingly.

Sincerely yours,

Sumner Welles

Under Secretary

Enclosure:

From the Joint Relief Committee
to the American Legation,
Port-au-Prince, August 5, 1942.

A true copy of
the signed sets
lost.

AUG 10 1942

FF:DH:PS

8-12-42

ISH
ED

RA PAULD
J. [Signature]

DECLASSIFIED
Authority U.N.D. 862917
By BT NARA Date 10/9

RG 59
Entry CPA (1950)
File #84051
Box 24051

In reply refer to
FF

My dear Mr. Waldman:

With further reference to my letter of July 23 concerning the alleged failure on the part of certain of the other American republics to differentiate between friendly and hostile aliens, reports have been received from the American Embassy at Habana and the American Legation at Port-au-Prince.

An investigation by the Embassy in Habana led to the conclusion that the application of local controls had caused no undue hardship to friendly nationals of enemy countries. Such nationals with deposits in local banks are being permitted to withdraw sufficient funds for living expenses. Moreover, remittances from abroad are being authorized provided such funds are also being paid into blocked accounts. In addition, according to the Embassy, local bankers who were consulted state that they have received no complaints from friendly aliens regarding the application of the local controls.

The Legation at Port-au-Prince enclosed a letter received from the Joint Relief Committee which distributes, for relief purposes, funds received from the United States, and all Jewish refugees in Haiti are registered with it. It is felt for these reasons that the Committee is competent to speak for the refugee group. A copy of this letter, in which it is stated that Jewish refugees have not been adversely affected by the local freezing controls, is enclosed for your information. The Legation also added that the confiscation of sequestered funds which was recently instituted has been interpreted by the appropriate

Haitian

Mr. Morris D. Waldman,
Care of The American Jewish Committee,
386 Fourth Avenue,
New York, New York.

84051

7208

34051 FROZEN CREDITS / 7208

PS / VFZ

7208

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Authority AND 862917
By BT NARA Date 10/9

RG 59
Entry CAF 1050-4
File #84051
Box 2800

Furthermore, your letter has been transmitted to the American Embassies in Brazil, Cuba and Venezuela, and to the Legations in Guatemala and Haiti with the request that an investigation be undertaken in each case and a report submitted to the Department. As soon as such reports shall have been received, I shall be glad to communicate with you further. In the meantime, should you hear of any instances in which the economic controls in the other American republics have been unjustly used against refugees from the Axis countries, I would appreciate your advising me in order that such situations may be further investigated with the view towards suggesting to the appropriate authorities remedial action.

Sincerely yours,

Under Secretary

Under Secretary

Enclosure:

Copy of Final Act
of Conference on
Systems of Economic
and Financial Control.

KA
JUL 23 1942

FF:DH:GEP:PS

7/17/42/7/18/42

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DECLASSIFIED
Authority: E.O. 13526
By: BT NARA Date: 10/9

RG 59
Entry CIP 1000
File #84851
Box 2000

My dear Mr. Waldman:

In view of Mr. George L. Warren's telephone conversation with Mr. Donald Hiss of the Foreign Funds Control Division, I have delayed answering your letter of June 24, pending the conclusion of the Inter-American Conference on Systems of Economic and Financial Control.

This Government has on all appropriate occasions suggested to the Governments of the other American republics that a selective method be used in controlling Axis properties and financial and commercial transactions in which the Axis has an interest. By the selective process, persons to be subjected to such controls are those individuals and firms whose activities are inimical to the security of the Western Hemisphere. The point which has been emphasized is that the experience of this Government in administering its controls has shown that the control of Axis nationals, regardless of their sympathies and activities, creates an administrative problem, covers bona fide refugees whose sympathies and activities are in no way inimical to the security of this Hemisphere, and permits other undesirable persons, through the cloak of nationality of countries other than the Axis, to avoid such controls.

844.51 P.C.

I think you will find in the recommendations adopted at the Conference that this idea is ever present. While it was not considered politically practicable to obtain a specific recommendation with respect to refugees, the language of all of these recommendations is such that steps taken to implement them should safeguard the interests of bona fide refugees. A copy of the final act of the Conference is enclosed.

Furthermore

Mr. Morris D. Waldman,
Care of The American Jewish Committee,
386 Fourth Avenue,
New York, New York.

840.51 FROZEN CREDITS/7208

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Authority UND 862917
By BT NARA Date 10/9

RG 59
Entry COE (1950-5)
File #84861 FRS CA
Box 2800

countries at war with the Republic, are exempted from the provisions of the present law. In each specific case pertinent provisions will be issued through the agency of the Ministry of Foreign Affairs.'

"As has been previously mentioned in this Legation's despatch No. 2463, of January 23, 1942, (File No. 711.5), this article adequately provides for German Jews and other refugees who would obviously have suffered under the provisional measures taken by Decree No. 2648. However, the terms of Article XLI were not sufficiently broad to embrace the few Aryans of enemy nationality who for one reason or another are clearly anti-Nazi. In spite of the fact that no provision was actually made in the Decree No. 2655 to handle these Aryan cases, this Legation has been unable to obtain any information which would indicate that the Guatemalan Government has not dealt in all fairness with any claim which might have been presented to them by an Aryan in this category.

"In conclusion, therefore, it may be stated that Article XLI of Decree No. 2655 has specifically provided for any problem which might arise concerning the persons who have suffered persecutions for reason of race or religion, even though they are nationals of the countries with which Guatemala is at war; and that this Legation has been unable to encounter any case where Aryans of enemy nationality have not been given every opportunity and advantage when they can prove that their sympathies and efforts are spent in a direction advantageous to the welfare of the Republic and its Allies; and, for these reasons, it would appear that the American Jewish Committee of New York has been completely misinformed."

Sincerely yours,

Sumner Welles

Under Secretary

A true copy of the signed original.

AUG 21 1942

JA
FF:DH:MKG

8/18/42

JE

RA PA/LB
Here

KS

DECLASSIFIED
Authority AND 862917
By BT NARA Date 10/9

RG 59
Entry CIP (1904)
File #84051 FRIST
Box 2881

August 23, 1942

In reply refer to
FF

My dear Mr. Waldman:

840.51 Frozen Credits / 7208

This is in further reference to my letter of July 23, 1942 concerning the alleged failure on the part of certain of the other American republics to differentiate between friendly and hostile aliens. A report has just been received from the American Legation at Guatemala on this subject which concludes that the allegation is without foundation in so far as Guatemala is concerned.

I quote below the relevant excerpts from this report:

"On December 12, 1941, immediately after this Republic declared war on the Axis, Decree No. 2648, referred to in the letter from the American Jewish Committee of New York, was published. This decree, which suspended constitutional guarantees for all Germans, Japanese and Italians until the end of the war, was an emergency measure which was adopted until a more detailed and adequate system of restraint upon Axis individuals and Axis controlled or owned commercial enterprises could be drawn up by the Guatemalan Government.

"The American Jewish Committee of New York obviously had not been informed of the Guatemalan Government's Decree No. 2655, published on the 23rd of December, 1941, which was issued for the purpose of recapitulating all of the measures already decreed by the Guatemalan Government for restricting nationals of countries with which Guatemala is at war. Article XLI of this decree states as follows:

"The Government may direct that persons who have suffered persecution for reasons of race or religion, even though nationals of the

countries

Mr. Morris D. Waldman,
Care of The American Jewish Committee,
386 Fourth Avenue,
New York, New York.

840.51 2/20/42

840.51 FROZEN CREDITS / 7208 PS/MW

7708

DECLASSIFIED
Authority UIND 862917
By BT NARA Date 10/9

RG 59
Entry CF (1960-51)
File #84051
Box 24901

JUL 20 1963

No. 699

To the American Chargé d'Affaires ad interim,
Port-au-Prince.

The Secretary of State encloses a copy of a letter from The American Jewish Committee of New York to the Under Secretary of State concerning decrees which have been adopted to control commercial and financial transactions in which the Axis have an interest, and alleging the failure on the part of the government to which you are accredited to differentiate between friendly and hostile aliens with the result that hardship has been caused. It would be appreciated if an investigation could be undertaken and a report submitted to the Department concerning this allegation.

*84051 P.O.
M.T.
838-5151*

Enclosure:

Copy of letter from
The American Jewish
Committee of New York.

JUL 19 1963

A true copy of
the original
is
being
sent

FF:DH:GEP 7/17/42

333951

840.51 FROZEN CREDITS/7208 PS/OJB

DECLASSIFIED
Authority AND 862917
By BT NARA Date 10/9

RG 59
Entry CFE
File #94851
Box 2800

JUL 20 1942

No. 317

To the American Ambassador,
Habana.

The Secretary of State encloses a copy of a letter from The American Jewish Committee of New York to the Under Secretary of State concerning decrees which have been adopted to control commercial and financial transactions in which the Axis have an interest, and alleging the failure on the part of the government to which you are accredited to differentiate between friendly and hostile aliens with the result that hardship has been caused. It would be appreciated if an investigation could be undertaken and a report submitted to the Department concerning this allegation.

827-6161

Enclosure:

Copy of letter from
The American Jewish
Committee of New York.

840.51 FROZEN CREDITS/7208

PS 038

JUL 18 1942

FF:DH:GEP 7/17/42

333952

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Authority AND 862917
By BT NARA Date 10/9

RG 59
Entry CPI (1950)
File #84061
Box 2400

General Secretary
Associate Secretary
WEIDERMAN, Assistant Secretary

20 1941

No. 1210

To the American Ambassador,
Caracas.

The Secretary of State encloses a copy of a letter from The American Jewish Committee of New York to the Under Secretary of State concerning decrees which have been adopted to control commercial and financial transactions in which the Axis have an interest, and alleging the failure on the part of the government to which you are accredited to differentiate between friendly and hostile aliens with the result that hardship has been caused. It would be appreciated if an investigation could be undertaken and a report submitted to the Department concerning this allegation.

Enclosure:

Copy of letter from
The American Jewish
Committee of New York.

840.51 FROZEN ORIGIN 8/7208

PS/OJB

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18 1941



DECLASSIFIED

Authority UIND 862917

By BT NARA Date 10/9

RG

Entry

File

Box

59

CPE (1942-4)

#84051 FRSE CADET

21801

Philadelphia, Pa.

SECRET

TO THE DIRECTOR

DEBYA

840.51 F.C. / 7208

In reply refer to
FF

My dear Mr. Waldman:

This is in reference to my letter of October 13, 1942 and previous communications concerning the alleged failure on the part of certain of the other American republics to differentiate between friendly and hostile aliens in the administration of their freezing controls.

A report has just been received from the American Embassy at Rio de Janeiro on this subject in which it is stated that Decree Law No. 4807 of October 7, 1942 expressly authorizes the Economic Defense Commission "to distinguish among the nationals of the Axis countries those natural and juridical persons to be included under or excluded from the provisions of" earlier decrees controlling financial and commercial transactions in which the Axis or their nationals have an interest. Moreover, on October 7, 1942 another law, Decree Law No. 4806, was promulgated, discontinuing the stipulation of Decree Law No. 4166, under which stipulation responsibility was placed upon the assets of German, Japanese and Italian subjects for damages caused to Brazil for acts of aggression on the part of the Axis countries.

The report from Brazil now makes complete the investigation of all of the countries about which you inquired in your letter of June 24 and seems to establish the conclusion that the allegations contained in the report were without foundation.

Sincerely yours,

Sumner Welles

Under Secretary

Mr. Morris D. Waldman,
Care of The American Jewish Committee,
386 Fourth Avenue,
New York, New York.

EX 112
30 1000

DN
FF:DH:AKW
10/28/42

RA RH
GO JH AS

840.51 FROZEN CREDITS / 7208

PS/MW

333954

DECLASSIFIED
 Authority UND 862917
 By BT NARA Date 10/9

RG 59
 Entry CDF (1950)
 File #84051
 Box 2880

Philadelphia, Pa.
 New York, N. Y.
 New York, N. Y.
 New York, N. Y.
 Richmond, Va.

DEPARTMENT OF STATE
 TELEPHONE

Memorandum of Conversation

DATE: June 28, 1942.

SUBJECT: Discrimination between Refugees and Axis Nationals in the control and freezing of personal funds of residents in the Western Hemisphere.

PARTICIPANTS: Mr. George L. Warren, Secretary of the President's Advisory Committee on Political Refugees.
 Mr. Donald Hiss, FF.

COPIES TO:

gpo 1-1403

Mr. Warren telephoned this morning to refer to Mr. Waldman's letter of June 24 concerning the problem of Jewish Refugees being subjected to financial controls by the other American republics and asked whether any action would be practicable at the Inter-American Conference on Financial and Economic Controls in this regard. I explained that a copy of Mr. Waldman's letter had been presented to Mr. E. H. Foley, Jr., United States delegate to the Conference and that the matter had been discussed with him informally. I added that Mr. Foley is giving the matter consideration and hopes to have a recommendation adopted which would be helpful in handling the refugee problem.

Donald Hiss

FF:DH:PS

333955

DECLASSIFIED

Authority UND 862917

By BT NARA Date 10/9

RG

59

Entry

CAF (1950-5)

File

#84051 INDEX CARD

Box

24801

Philadelphia, Pa.
New York, N. Y.
New York, N. Y.

DEPARTMENT OF STATE

TELEPHONE

Memorandum of Conversation

DATE: June 28, 1942.

SUBJECT: Discrimination between Refugees and Axis Nationals in the control and freezing of personal funds of residents in the Western Hemisphere.

PARTICIPANTS: Mr. George L. Warren, Secretary of the President's Advisory Committee on Political Refugees.
Mr. Donald Hiss, FF.

FOREIGN FUNDS CONTROL DIVISION

COPIES TO:

1942
full
DEPARTMENT OF STATE

o p o 1-1493

Mr. Warren telephoned this morning to refer to Mr. Waldman's letter of June 24 concerning the problem of Jewish Refugees being subjected to financial controls by the other American republics and asked whether any action would be practicable at the Inter-American Conference on Financial and Economic Controls in this regard. I explained that a copy of Mr. Waldman's letter had been presented to Mr. E. H. Foley, Jr., United States delegate to the Conference and that the matter had been discussed with him informally. I added that Mr. Foley is giving the matter consideration and hopes to have a recommendation adopted which would be helpful in handling the refugee problem.

Donald Hiss

FF:DH:PS

FW 840.51 FROZEN CREDITS/7208

PS/ODB

AUG 4 1942

FILE

DECLASSIFIED	
Authority	AND 862917
By	BT NARA Date 10/9

RG	59
Entry	CIA (1950)
File	#84051 FRODO
Box	2001

MEMORANDUM TO MR. HISS

Mr. George L. Warren, Secretary of the President's Advisory Committee on Political Refugees - 122 East Twenty-second Street, New York, called and left the attached copy of a letter, the original of which has been mailed to Mr. Sumner Welles. The letter was signed by officers of the American-Jewish Committee of New York, and explained what Mr. Warren wished to discuss with you.

Mr. Warren stated that his Committee had been approached by various groups interested in refugees, with the request that such helpful action as might be possible be taken to bring to the attention of Latin and South American countries the action of the United States, Paraguay and Colombia in discriminating between refugees and Axis nationals in the control and freezing of personal funds of residents of the Western Hemisphere. It appears to create an undue hardship on refugees to have their funds, on which they are dependent in this hemisphere for maintenance, frozen in the same manner as those of Axis nationals. All Jewish refugees in the Western Hemisphere from Germany and Austria have been expatriated by decrees on the German Government and are technically stateless. Their special situation has been recognized by our Treasury Department in the manner described in the letter.

Mr. Warren wishes to associate himself with the request contained in the letter to Mr. Welles and will telephone you from New York on Monday (approximately eleven o'clock) to determine whatever helpful action can be taken at the meeting to be held early next week.

In this connection it may be added that Mr. Warren desired to call your attention to Resolution 17 (A) 6:

"Protecting all aliens not deemed dangerous from being deprived of adequate means of livelihood, unfairly discriminated against, or otherwise interfered with in the conduct of their normal social and business activities."

Mr. Smith of the Department of Justice referred Mr. Warren to you. Mr. Warren is known to Mr. Long, Mr. Bonsal, and other officers of the Department.

P.S.
6-26-42

333957

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Authority LIND 862917

By BT NARA Date 10/9

RG

59

Entry

CDE (1942)

File

#84061 FIVE

Box

4801

Hon. Sumner Welles

- 3 -

June 24, 1942

Furthermore, their material situation has been seriously imperiled by these decrees. In Haiti, for instance, the provisions for the freezing, confiscation and liquidation of funds and properties of all enemy aliens without distinction threaten to deprive once more these unfortunate people of their remaining possessions and livelihoods, after they had looked forward to a new life at the cost of hard and strenuous effort.

We have been gratified to learn that on the 30th of this month, you will preside over a meeting of the Inter-American Financial and Economic Advisory Committee and, therefore, we venture to request your friendly intercession on behalf of these thousands of innocent victims to the end that the wise and humanitarian recommendations of the Rio Conference shall be the norm through Latin America.

May we hope for an indication of your reaction to these suggestions?

Sincerely yours,

Horatio W. ...

The Honorable Sumner Welles
Under Secretary of State
Department of State
Washington, D. C.

333958

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By	BT NARA Date 10/9

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Box	24001

Hon. Sumner Welles

- 2 -

June 24, 1942

To supervise and control all commercial and financial transactions within the American Republics by nationals of the States signatory to the Tripartite Pact, or of the territories dominated by them, who are resident within the American Republics, and to prevent all transactions of whatsoever nature which are inimical to the security of the Western Hemisphere.

From the information received by us it would appear that only three of the participating governments have taken the necessary measures to implement this recommendation. In the first place, our own Government, by a regulation of the Treasury Department of February 23, 1942 regarding foreign funds control, has allowed all persons of enemy nationality who arrived in the United States prior to that date to dispose freely of their assets, and has retained custody over the property of such enemy aliens only as are deemed dangerous to the security of the United States. Colombia, by a decree of January 17, 1942, on the control and administration of property belonging to citizens or entities of the Axis powers, excepted all resident aliens of Axis nationality from the provisions of that decree. Paraguay, by a decree law, No. 10793 of January 28, 1942 severing diplomatic, commercial and financial relations with the Governments of Japan, Germany and Italy, makes a distinction between dangerous aliens and other resident aliens.

With the exception, therefore, of the three Governments mentioned above, the regulations of the other Central and South American Republics, of which we have knowledge, make no distinction in favor of friendly aliens of Axis nationality, resident in their countries. The relevant regulations which have come to our attention follow:

Brazil: Decree Law No. 4166, of April 12, 1942
Cuba: Decree No. 710, of December 12, 1941
Guatemala: Decree No. 2648, of December 12, 1941
Haiti: Decree Law No. 80, of December 18, 1941
Venezuela: Decree of December 12, 1941

The failure to differentiate between friendly and hostile aliens has caused great hardship, especially to Jewish refugees of German and Italian nationality. Our estimates show that since 1933, more than 100,000 Jewish immigrants have found refuge in the countries of Central and South America. Most of them originate from Germany where they had been subjected to the severest persecutions, and endured the cruel sufferings of concentration camps. It can safely be said that all of these refugees are wholeheartedly devoted to the democratic cause and loyal to the countries which have afforded them an opportunity to live in peace. We feel that their classification as "enemy" aliens is a moral blow which they surely do not deserve and from which they should be spared.

333959

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Authority IND 862917
By BT NARA Date 10/9

RG 59
Entry CPA (1942)
File #84061
Box 24001

TELEPHONE MURRAY HILL 3-6700

CABLE ADDRESS "WISHCOM. NEW YORK"

THE AMERICAN JEWISH COMMITTEE

386 FOURTH AVENUE NEW YORK, N. Y.



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Detroit, Mich.
Philadelphia, Pa.

June 24, 1942

July 23, 1942

DEPARTMENT OF STATE
BOARD OF ECONOMIC OPERATIONS
EXECUTIVE SECRETARY
JUL 23 1942

Dear Mr. Welles:

We have been advised by reliable groups of Jewish immigrants and refugees in several Central and South American countries that the laws and regulations concerning the custody and confiscation of property of Axis nationals are being applied indiscriminately to the victims and abettors of the Axis powers alike. We urge that, within the decision of the Third Meeting of Ministers of Foreign Affairs of the American Republics, held in Rio de Janeiro, January 15-18, 1942, Jewish refugees who might be expatriated by acts of the German Government and whose loyalty to democracy can safely be presumed, be exempted from the provisions of these decrees.

We take the liberty of quoting from the Resolution on the Severance of Commercial and Financial Relations adopted at that Conference, recommending that in the application of measures to "prevent within the American Republics all commercial and financial transactions inimical to the security of the Western Hemisphere," persons resident within the American Republics may, under certain conditions, be excepted from the operation of these measures. The text follows:

To prevent, within the American Republics, all commercial and financial transactions inimical to the security of the Western Hemisphere, which are entered into directly or indirectly, by or for the benefit of the members of the Tripartite Pact, the territories dominated by them, as well as the nationals of any of them, whether real or juridical persons, it being understood that real persons may be excepted if they are resident within an American Republic and on condition that they are controlled according to the following paragraph:

FOREIGN FUNDS CONTROL DIVISION
Letter to Mr. Tolson dated
drafted 7/23/42
JUL 23 1942
DEPARTMENT OF STATE

REC'D
AUG 3 1942

OMING TELEGRAM

*Sumner
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DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS

TELEGRAPH BRANCH

7

REPRODUCTION OF WAR DEPT MESSAGE TO STATE FOR INFO

Info:
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~~SECRET~~

Paraphrase not required

Control 693

Rec'd October 2, 1947
5:16 p.m.

FROM: OMGUS Berlin Germany sgd Hays

TO : AGWAR for CSCAD ECION

NO : CO 1796

30 September 1947

Reurads WX 86581 and WX 85682 and ourads July CO 9926, September CO 1701 and April CO 8967. Deliveries to FCIRO is subject.

1. Since sending our CO 9926, Melmer has been located and interrogated. He confirms facts stated paras 3 and 5 ourad and adds that all deliveries were Jewish property and originated extermination camps Auschwitz and Lublin, both located in Poland.

2. All items contained in "Melmer deliveries" except currencies in question and securities have already been turned over to IRO. Are we correct in assuming that term "National origin" in para 1A of ourad WX 85682 not applicable to location concentration camps and that accordingly our newly acquired knowledge of origin "Melmer deliveries" does not affect propriety turnover currencies in question to IRO whose representative has now been fully advised re "Melmer deliveries". To return property to government of country where camp was located would almost certainly not assist in return of property to those persons presently entitled thereto. This especially true in present case since wholly Jewish property involved and at present there are remaining in Poland only a small number of Jews to whom Poland, if it received property, could restore it. Thus we believe no consideration ought to be given to location of camps in considering disposition of items originating therein. Would appreciate your concurrence this point of view.

3. Matter

OM IN 165

(1 Oct 47)

~~SECRET~~

INFORMATION COPY

333961

Box 25
File IV
Entry 701#62115
RG 59

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Authority *MM96106*
By *WJL* NARA Date *6/16/96*

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SECRET

-2- Control 693, from Berlin

3. Matter discussed para 3 bears to some extent upon that discussed our CC 1701 concerning gold bars claimed by Czechs to have originated concentration camp Czechoslovakia.

4. Reurad para 4. Your assumption correct. Objects referred to as not having been turned over to IRO because susceptible possible later identification contained in envelopes originating Dachau. There are 2826 envelopes containing primarily watches, rings and pins and some currency. Total estimated value of all items less than \$10,000. Each envelope bears camp number, name and birthdate of owner and in 23% of cases, also owners nationality which in all but a few cases is non-German. Have been unable to identify nationality of other owners from available records and are making one final effort through IRO tracing service.

5. Propose turn over under ordinary external restitution procedure of envelopes containing both name and nationality. To avoid possible conflict with principles proposed internal restitution law will require receiving governments to certify that items were removed from their country. Recommend that remaining items be considered subject to claims under proposed internal restitution law and that items unclaimed within period prescribed by that law, that is, prior to end of 1948, be then turned over to IRO. For your information, 1 former Dachau inmate, a German, has already filed an informal claim and items claimed have been identified.

6. Reur 5. Our understanding same as yours that IRO and beneficiary organizations do not wish to undertake to indemnify claimants. Believe no claims procedure necessary and recommend that none be adopted. No items believed susceptible of possible later identification have as yet been turned over to IRO. Further, that organization now engaged in separating precious stones from setting and melting precious metal objects into ingot form. Thus it appears certain that items already turned over will not be susceptible of later identification. As indicated para 5, above, the only items presently believed susceptible

to possible

CM IN 165

(1 Oct 47)

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Entry 62115
RG 57

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Authority 901896
By WJL NARA Date 6/16/94

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-3- Control 693, from Berlin

to possible later identification are not proposed to be turned over to IRO until possibility exhausted. In addition they are of such little value that they and such few pieces as might remain intact after IRO processing would not appear to justify setting up and administration of claims procedure. Further, inviting claims for items which, in the vast majority of cases, could not be identified would only give rise to considerable dissatisfaction and possible criticism of whole IRO turnover procedure.

NOTE: CC 9926 is CM IN 3058 (18 Jul 47) CAD
CC 1701 is CM IN 4397 (24 Sep 47) CAD
CC 8967 is CM IN 115 (1 May 47) CAD

ACTION: CAD

CM IN 165

(1 Oct 47)

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Entry 10115
File IN
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By *WJD* NARA Date *6/16/96*

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OPERATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE

INFORMATION
COPY

OUTGOING TELEGRAM

CONFIDENTIAL

Control 2066

May 8, 1947
7 P.M.

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US URGENT

EMBASSY

LONDON

2023

Disposition of non-monetary gold and other assets
in Germany and Austria is subject.

Ref is No. 1547 fr Moscow to SecState, rptd London as
188, Berlin as 133, rptd fr Dept to Paris as 177, Vienna as
58.

During discussions Moscow agreement reached between
UK, Fr, and US reps that, in addition non-mon gold covered
by Art 8, Paris Act, all valuable personal property,
representing loot seized or obtained under duress fr
political, racial, or religious victims Nazi Govt or
satellite govts or nationals thereof which was or may
be found, seized, or confiscated by Military Commanders
Germany or by local authorities acting under their direction,
will be made available to IGCR or its successor (IRO) by
Zone Commanders; provided, however, that external or internal
restitution such property impossible because determination
national origin not practical or because owner has died with-
out heirs or ownership cannot be determined, respectively.

It was understood this agreement not predicated upon
interpretation Art 8, Paris Act. Although

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7/3

Box 58
File I-V
Entry 10/2/15
RG 5

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Authority *MM968106*
By *WIP* NARA Date *6/16/64*

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-2-, #2023, May 8, 1947, 7 p.m., to London.

Although point not discussed Moscow, assumption this Govt that IGCM will use in same manner as non-monetary gold delivered pursuant Art. 8 ~~London~~ ~~Agreement~~.

Agreement also reached Moscow that assets in hands of occupation authorities in Austria of type outlined above (valuables and non-mon gold) to be treated in same way as assets described above will be treated in Germany, except that disposition may be made under Art 44 (2) Draft Treaty Austria for such assets as are of purely Austrian origin or where understand- ing existed over such assets with Austrian Govt.

Request you seek confirmation these arrangements from Brit, Fr Govts, such confirmation to be regarded as adequate reply to notes delivered by you this subject Nov 20, 1946. You shld also request fr Brit and Fr govts statement re implementation agreements. Understood Moscow that Brit and Fr govts wld simply send relevant instructions their commanders Germany, Austria such implementation and deliver any assets within agreement which have been removed.

Foregoing arrangements considered render unnecessary further negotiations as proposed Fr MonOff note rptd Paris Subtel 1687, rptd London as 329.

Request

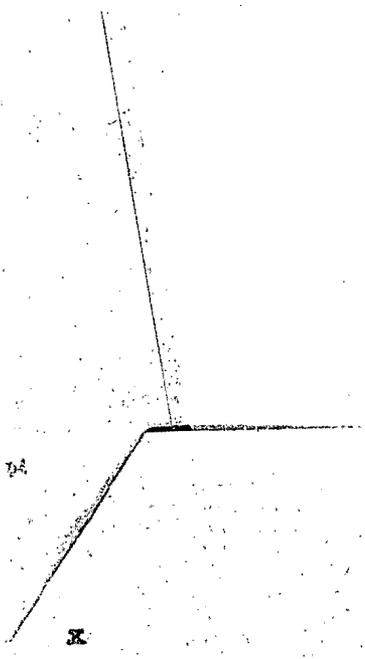
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Box 25
File I-V
Entry 107-60-115
RG 59

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Authority 901896AW
By [initials] NARA Date 6/16/97

8-5- NS053 101A 8



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-3-, #2023, May 8, 7 p.m., to London.

Request Emb Paris ask Fr govt final decision ~~re section~~
re section Hungarian gold train Fr zone Austria.

Sent to AMEMBASSY London as 2023, AMEMBASSY Paris as 1695
for action. Rptd to USPOLAD Berlin as 1012, AMLEGATION
Vienna as 304, AMEMBASSY, Brussels for Daspit as 648 for
info.

MARSHALL
(CFK)

GA:AFK:mlg
5/1/47

ES FN CE WE BC A-H

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996333

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Origin: MSP

Feb 24, 1947

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US URGENT

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BRUSSELS FOR DONR

230

Reurtel 231 Feb 17. Concur you oppose forcefully

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

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

~~SECRET~~

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333967

RG
Entry 701896
File IN
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Authority 901896
By [signature] NARA Date 6/16/94

Handwritten notes:
By S. H. Fletcher
gold reparations
Baker
Return of non-monetary gold

CONFIDENTIAL

-2-

230, 2/24/47, to BRUSSELS

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

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

Your memo

896338

RG
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Authority MM968106
By WJL NARA Date 6/16/97

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-3-

230, 2/24/47, to BRUSSELS

Your memo might include any or all above points.
May be desirable not emphasize broad US interpretation
Art 8, Paris Act if danger other delegates conclude
that large amounts gas loot involved which might be
disposed of according to Mr plan.

MARSHALL

GA:AFKiefer:mlg
2/21/47

A-H

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966333

RG 57
Entry Lot # 62015
File IN Germany
Box 25

DECLASSIFIED
Authority 901896DM
By Will NARA Date 6/16/66

G.L.A. - Good definition

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COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE
INCOMING TELEGRAM

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1) *[Handwritten signature]*
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CONFIDENTIAL

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Control 7880

Rec'd January 27, 1947
3:20 p.m.

FROM: Berlin

TO: Secretary of State

NO: 221, January 27, 8 p.m.

US URGENT

Problem is determination of non-monetary gold.

One. Re W-90078 JCS to USFET January 20.

A. Does term currency include silver and metal coin?

B. Is paragraph four an exception to paragraph two (e.g. French currency found in concentration camp loot)? Is it returned to France in accordance with paragraph two (A) or does it go to IGCR?

Two. Does gold coin and bullion found in concentration camp loot go into gold pot? It is clearly monetary gold. About 65,000 dollars so far inventoried.

Three. Some concentration camp loot identifiable since it is contained in individual packets bearing name of owner date, et cetera except in cases of exceptional value may this be turned over without identity to IGCR without attempting to locate owner and restitute.

Four. Concentration camp loot contains some registered securities. Should attempts be made to restitute to owner or heirs? Can IGCR negotiate these instruments if owner can not be found?

Five. In all cases it is believed undesirable that IGCR have restitution's functions or information as to identity of previous owner of property given them.

Six. There

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Box
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DECLASSIFIED
Authority *MM968106*
By *Will* NARA Date *6/16/66*

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CONFIDENTIAL

-2- #221. January 27. 8 p.m., from Berlin

Six. There are other collections of valuables aside from concentration camp caches which are obviously looted - e.g. deposits of coins and jewels, et cetera of Kaltenbrunner and other SS loot.

Seven. Suggest policy whereby:

(A) All valuables (gold, coins, currency, jewels, securities) for which there is a strong suspicion they were looted from racial, religious or political victims, except in cases of exceptional value and restitutable as suggested paragraph three above, be classified as non-monetary gold and given to IGCR regardless of any other directives which may be applicable, excluding objects of little or no value. This would make for administrative simplification.

(B) In cases of doubt or conflict, non-monetary gold fund should be favored.

Eight. What is meant by term "national origin" as used in JCS directive 1570/9 November 9 and contained in cable WX-85682? If this means country of issue, then national origin of all currency can be determined. This appears to be interpretation used in W-90078 which speaks of "currencies of countries." If suggestion in seven A above is acceptable, then the only currencies to which the test of determinability of "national origin" would be applied would be those falling under heading of paragraph two D of W-90078 which were clearly not looted from racial, religious and political victims, but the interpretation of national origin here would have to be country from which looted.

Nine. How should gold, currency, et cetera, uncovered in declarations filed under MG law No. 53 be classified? (See CC-7563 OMGUS to AGWAR January 4). Is this gold monetary, non-monetary or neither? Is currency to be disposed of according to W-90078?

Ten. OMGUS will be sending cable to War asking for clarification and perhaps posing questions similar to above.

MUCBIO

LMS:EPS

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Box 25
File IV
Entry Lot # 62-0115
RG

DECLASSIFIED
Authority NND968106
By WML NARA Date 6/16/64

1763371

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RESTRICTED

Paris, August 21, 1946

No. 5973.

Subject: Non-Monetary Gold and other Valuables.

Handwritten signatures and initials

WJS

*E.S.
CA
FC
WE
BC
FN*

*4-2
9-3*

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to article 8-A of the Paris Reparation Conference Agreement which provides that a share of reparation consisting of all the non-monetary gold found by the Allied armed forces in Germany, . . . shall be allocated for the rehabilitation and resettlement of non-repatriable victims of German action. Reference is also made to the report of the United States representative to the Paris Five-Power Conference on Reparation for Non-Repatriables. In this report it was indicated (Page 4-a 3) that neither the British nor the French Governments admitted the existence of deposits of "non-monetary gold or other valuables" during the course of the Conference.

There is attached hereto a copy of a letter from the Acting Chief of the Financial Investigation Section, Finance Division, O GWS, with which was enclosed a translation from an article from a German newspaper indicating that the British Military Government in Germany apparently had found a valuable cache of German loot. We have confidential information that the French Military Government officials have also found considerable amounts of non-monetary gold and other valuables, but we have no confirmation of these reports from official French sources.

Respectfully yours,
For the Ambassador

Livingston T. Merchant
Minister-Counselor for Economic Affairs.

Enclosure:
Copy of letter from S. Kagan
with enclosure.

Original and Hectograph to the Department.

ISL:son.sdh

Box 25
File IN Germany
Entry 407 # 628115
RG 57

DECLASSIFIED
Authority MM968106
By WML NARA Date 6/16/64

33392

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Enclosure to despatch No. 5973, dated August 21, 1946,
from Paris, France.

C. O. P. Y.

Berlin, 2 August 1946.

Mr. Irwin Mason
American Embassy
Paris.

Dear Mr. Mason:

I am enclosing for your information a copy of a German press item pertaining to a discovery of caches of valuables. Col. Kellin of the British Finance Division stated that the haul was made almost a year ago and that most of the loot was Dutch. He claims that much had already been restituted.

Sincerely yours,

/s/ SAUL KEGAN
S. Kegan

(Enclosure to above - Translation)

Herford, 19 July 1946.

"Officials British Military Government made sensational find in a house near Lueneburg involving objects of value, jewelry, diamonds, marketable foreign securities. Value several million pounds sterling all robbed by Gestapo. Owners of these valuables in all parts of Europe. After treasure discovery black bound book containing list of all rightful owners of found objects was sent to British Military Government. Enclosed was letter signed by four former SS-men stating the contents of the book of greatest importance. The find was brought to Hannover and supposed to be transmitted to owners. First examination of the owners list reveals most of them must be considered dead."

Box 25
File IV
Entry Lot # 62-015
RG 57

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By WJL NARA Date 6/16/96

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Authority NND 765011
By WDP NARA Date 3/25/00RG 84
Entry 2531-B
File 400B
Box 53Enclosure 1 to Des-
patch 290, S-2-48,
Copenhagen, DenmarkCONFIDENTIALCOPYAmerican Legation
Copenhagen, Denmark
May 23, 1948

Dear Mr. Bleehingberg:

Several of the liberated countries have requested the assistance of the U.S. Government in recovering securities looted by the enemy during occupation. As you are aware, the U.S. Treasury Department, even before our entry into the war, instituted controls to prevent the disposition of looted securities in the United States. These controls, however, required the screening of a great many innocent transactions in order to detect looted securities.

The Treasury Department finds it necessary to revise its controls in the near future so that attention will be devoted only to securities of U.S. issuers and dollar securities of non-U.S. issuers which are known to have been looted. To accomplish this, the Treasury Department is tentatively considering promulgating a list of looted securities and of taking such steps as may be practicable to prevent realization on such securities. Before such measures could be instituted, however, the Treasury Department would need specific information identifying number and name of registered holder, if any. Securities which have been looted in Denmark and subsequently found in Denmark should not be included because it is assumed that the Danish Government will take appropriate measures to protect the rightful owners.

My Government attaches considerable importance to the problem of looted securities and wishes to be of as much assistance in this matter as possible. Consequently, I would appreciate receiving as soon as possible the views of your Government concerning the program contemplated by the Treasury Department, as well as an indication as to whether your Government desires to participate in that program. If it does wish to participate, it is requested that your Government submit to the U.S. Treasury Department a full list containing the desired information not later than August 1, 1948, if at all possible.

Sincerely yours,

/s/
Bernard I. Yeig,
U. S. Treasury RepresentativeMr. Einar Bleehingberg
Royal Danish Ministry for Foreign Affairs
CopenhagenCONFIDENTIAL

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Hold PD Permanent Record

FILE →

HISTORY REPORT OF THE US CENSUS SECTION, PROPERTY DIVISION, OMGUS

The operations described in this report deal with the US Zone of Germany, or US Sector of Berlin, unless otherwise so indicated.

Jules Wangler

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 History Nat. US Census

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

Berlin, Germany
 30 September 1948

SUBJECT: History of the US Census Section

TO : Chief
 Property Control and External Assets Branch,
 Property Division, OMGUS
 c/o OMG Hesse, APO 633, US Army

I. EARLY HISTORY

BACKGROUND:

As soon as Military Government Law No. 53 became effective, all persons in Germany, both natural and juridical, owning or controlling any property subject to Military Government Law No. 53 were required to execute and file with the nearest Reichsbank office Form MGAX-(1), declaring therein their assets in, and claims against foreign countries. Subsequently, a set of orders was issued to the branches of the Reichsbank, first establishing standards of conduct to be followed by them in connection with the filing of such declarations and, by November 1945, definite instructions, as to procedure and disposition of the declarations, known as "Instructions to the Reichsbank and its Offices No. 3", were issued. The executed MGAX-(1) declarations were to be channelled by the various Reichsbank branches into the Reichsbank Frankfurt/Main which became the central German collection point in connection with the MGAX-(1) program in the US Zone.

As early as September 1945, the formation of a US Census Section was outlined by John A. Banning, Chief of the External Assets Census Branch of the Division of Investigation of Cartels and External Assets, with the following instructions:

OUTLINE OF FUNCTIONS:

- A. The US Census Section was to issue instructions requiring that all MGAX-(1) reports be delivered to the Section at its Frankfurt offices.
- B. A program of procedure covering the coding, punching and tabulating by machine records of all such report forms was to be inaugurated, the purpose of which was to accomplish a

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not properly equipped to handle cases of this type. A certain lack of interest on the part of the courts was obvious. As a result, the Laender MGs became very hesitant to submit such violations to the courts. This is not to say that no prosecutions took place, but the final results were less than proportionate to the efforts of the US Census Section to detect violators of MG Law No. 53.

BERLIN

Up to 1946, there existed no ordinance requiring that residents of Greater Berlin file reports covering their external assets. In the early days of the occupation, the Soviets, through Soviet Order No. 3, had ordered the surrender by the Berlin population of all securities to the Stadtkontor. Subsequently, Kommandatura Order No. 3 demanded the delivery of all securities. Only after a great deal of preliminary haggling did the Allied Kommandatura Order (46) 337 finally become effective in the Fall of 1946. This order had the effect of bringing into a single place on a quadripartite basis the functions that were accomplished in the various zones separately. Coordination with the various powers became imperative and the task of inaugurating the mechanics for a proper execution of the reporting plan under BK/O (46) 337 became largely a problem for the US Census Section. The coding work was explained to the corresponding British, French and Russian elements, and it was agreed by the Western Allies to adopt the machine tabulation plan. The Russians, however, decided to follow a different plan based on hand, rather than machine tabulation.

DIFFERENCE OF ZONE AND BERLIN LAW

The BKAX-(1) Reports (the Berlin equivalent of Form MGAX-(1)) contained one provision which was a great improvement over Form MGAX-(1). Under MG Law No. 53 only ownership of external assets was required to be reported. This proved to be insufficient, especially concerning holdings of the Reich or Reich-controlled organizations, which were known to have had at various times large holdings abroad. This was especially true of the Balkans, Italy, France, the Low Countries, etc. There were a great many former functionaries of such organizations residing in Germany who had knowledge of such assets, but neither controlled nor owned them. BK/O (46) 337 remedied this condition by requiring that anybody having knowledge of such assets was also compelled to file a report. For Berlin this was very important. A great many of the

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executives of defunct Reich or Reich-controlled organizations were still residing in Berlin, furthermore, due to the above-mentioned provision, organizations like the Deutsche Revisions- und Treuhand A.G. were also compelled to file BKAX-(1) Reports for organizations whose books they had at various times audited.

III. OPERATIONS, 1947:

During the first quarter of 1947, special pressure was brought on the Coding Unit to speed up work for the First Machine Tabulation of MGAX-(1) Declarations (exclusive of expellees). By March 1947 approximately 400,000 MGAX-(1) Reports were in the hands of the Machine Tabulation Unit which immediately started the preparation of the Intermediate Machine Tabulations.

MACHINE TABULATION, 1947

During the succeeding correction work, and resulting elimination of previously non-detected expellee reports, duplications etc., the total of reports which eventually appeared in the final tabulation was reduced to only 284,000 US Zone MGAX-(1) Reports. The correction work in 1947 required about one month's time. During this period, the Berlin BKAX-(1) Reports had to be set aside, and the entire staff concentrated on the corrections, preparatory to the final tabulations, which were completed in Summer 1947, covering:

1. Country Lists, subdivided into two parts: assets and liabilities;
2. Present Holder Lists, revealing the location of securities, also indicating whether or not such securities had been surrendered to the Reichsbank, provided such securities were located in Germany. These Present Holder Lists were also arranged countrywise.

DISTRIBUTION OF MACHINE TABULATIONS

Distribution of the finished tabulations began in August and covered the following agencies:

- a. Office of Political Affairs, OMGUS, for the Department of State in Washington, D.C.;
- b. Office of Political Affairs, OMGUS, for dispatch to the US Missions in the various countries;

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- c. Office of Political Affairs, OMGUS, for dispatch to the US Missions for distribution to the respective countries;
- d. Office of Political Affairs, OMGUS, for GEPC (German External Property Commission) trusteeships or joint commissions in countries such as Portugal, Spain, Switzerland, etc.;
- e. British Member, GEPC;
- f. French Member, GEPC;
- g. Soviet Member, GEPC, which, however, were not distributed at this time, but were held pending an exchange with the Soviets of country tabulations on a one-for-one basis;
- h. IARA (Inter-Allied Reparations Agency), Brussels, for its own use;
- i. IARA, Brussels, for distribution to the respective IARA countries.

TABULATIONS RETAINED:

In addition, one set was put aside for future compensation purposes, i.e. for possible use by the German authorities upon the commencement of compensation payments to dispossessed owners of German external assets. Another set was reserved for possible use by IARA in submitting annotations showing liquidation proceeds of assets reported.

- 3. The Summary Lists, showing the total assets of each of 94 countries for which country lists had been distributed, were issued in October 1947 and were also distributed as described above.

BERLIN TABULATIONS:

Later in 1947, a total of 30,700 BKAX-(1) Declarations emanating from the US Sector of Greater Berlin were processed, and ready for delivery to the Machine Tabulation Unit by 31 December 1947.

Aside from the coding work, a great deal of effort was spent on the screening of Censorship Reports, as well as other informational material

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referred to the US Census Section by the Ministerial Records Unit of the External Assets Branch, Finance Division, OMGUS.

MGAX-(1) Reports received too late for inclusion in the First Major Machine Tabulation of 1947, were temporarily set aside until late in 1947, when a decision was reached to prepare a supplementary machine tabulation for the US Zone. However, such a program was to be deferred, not only until completion of the Machine Tabulation for the US Sector of Greater Berlin, but also until the Machine Tabulation Unit would complete the machine tabulations for the British and French Sectors of Berlin and the French Zone, preparation for which had advanced considerably.

REORGANIZATION, 1947

A new reorganization of the US Census Section took place on 1 August 1947, when several personnel changes occurred in the External Assets Branch, Finance Division, OMGUS. As a result, Mr. Frank J. Miller, appointed Deputy Chief of the External Assets Branch, was succeeded by Mr. Jules Wangler, temporarily designated Acting Chief, and in February 1948 as Chief of the US Census Section. Already during the summer of 1947, as soon as the First Major Machine Tabulation had been distributed, a substantial reduction in personnel took place. The force was cut down to 18 German coding specialists. A considerable reduction in the US personnel also was accomplished by leaving unfilled those vacancies which occurred through termination of contracts, transfers etc. The remaining force of

- A. 2 US personnel; and
- B. 26 German personnel

was organized as follows:

(see attached Chart No. 2)

Reduction in personnel, of course, necessitated dropping or reducing a great many special tasks. Screening of censorship material had, however, already been considerably curtailed, and the closing of the censorship program eventually permitted the complete abandonment of this project.

HAND TABULATION PROGRAM

During the latter part of 1947, plans were made for the Hand Tabulation Program covering MGAX-(1) Declarations received after preparation of the

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Supplementary Machine Tabulation for the US Zone, and BKAX-(1) Declarations accumulated after completion of the Tabulation for Greater Berlin (US Sector). A great number of meetings took place with Messrs. F.T. Fox and T.E. Smith of the British Element and M. Choplin of the French Element, who made several trips from Baden-Baden to coordinate the French program with ours. The Hand Tabulation Plan meant a complete departure from the mode of tabulation theretofore employed. Only substantial amounts (above 5,000 Marks) were to be considered. The efforts were centered on assets only, liabilities being completely ignored. Furthermore, data concerning present holders of German-owned foreign securities was included in the extracts, which were made on typewritten forms. The reports were no longer "coded". Instead, one group of specialists screened the reports for important items; another group extracted such items; a third group checked, and finally the data was typed on distribution sheets. Hand Tabulations, therefore, simply meant the tabulation of certain external assets and the distribution thereof on an individual case-basis. The plan also envisaged eventual distribution of such extracts to the same user agencies previously designated. Both the French and the British adopted the US plan.

BERLIN BANK REPORTS

Through the enactment of Berlin Kommandatura Order (46) 337, the closed banks in the Western Sectors of Berlin were compelled to report their own as well as the external assets deposited with them by branches, correspondent banks or bankers. In the Russian Sector the closed banks received orders from the Soviet Authorities not to report. For all practical purposes this order was of small importance, since most of the banks had moved their records to the Western Sectors. Their vaults (Tresore), however, were and still are located in the Soviet Sector.

SECURITIES REMOVED BY RUSSIANS

~~The contents of the vaults, however, had been removed by the Russian Authorities prior to the entry of the Allies into Berlin. As a result, the Berlin banks were in a position to report only the securities which were supposed to be under their control, but were physically located in places unknown. This Russian removal had included the vault contents of the various banks (most of which had been located in the center of Berlin), as well as~~

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~~the Giro-Sammeldepot holdings (reportedly in excess of 100 billion Marks), representing probably the bulk of all securities held in Germany. Irrespective of location, foreign securities had been reported by the branch banks or correspondent banks or bankers in the Western Zones.~~

SECURITIES RECONCILING PLAN

In order to avoid unnecessary duplications between the zone and the Berlin reports, the US Census Section devised a special Reconciling Plan, affecting big Berlin banks, such as the Commerzbank, Deutsche Bank and Dresdner Bank. The Berliner Handelsgesellschaft was not included in the project, since it had no branches in the zones. The task developed into a major one, especially in the case of the Deutsche Bank, which had saved only a small part of its records. The situation at the Dresdner Bank offices was somewhat better and the Commerzbank had practically all its records intact. To enable the Deutsche Bank to reconstruct in part the picture covering securities held for their own as well as their customers' account, their number-card-system had to be put into play. The Deutsche Bank required several months to complete the project. Eventually, the lists prepared by the Berlin banks were forwarded through military channels to the US Zone, as well as to the British and French Zones, for transmittal to the respective branches, correspondent banks or bankers. These in turn had to check those lists against their own records and note thereon whether the securities had been reported on Form MGAX-(1) in accordance with MG Law No. 53. The US Census Section thereafter checked this material against the reports filed by the Berlin banks and the duplications which were discovered were eliminated. It can be stated that approximately 90% of the securities listed by the Berlin banks as being held for their branches or correspondent banks or bankers had already been reported in the zones. Unfortunately, some of the replies from the zones arrived only after the closing date set for the Machine Tabulations covering Greater Berlin. The complete reconciling material is now deposited as follows:

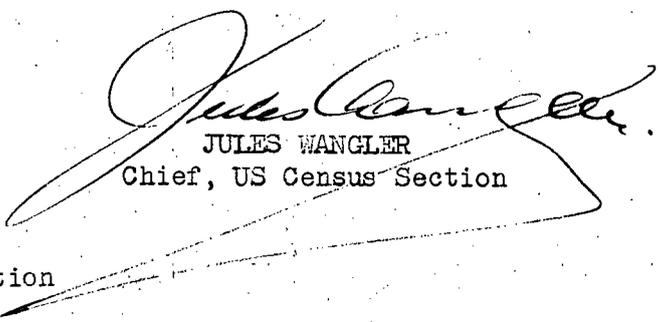
- A. Documentary material included in the Machine Tabulations (reconciling completed) with Property Control and External Assets Branch in Wiesbaden, APO 633;
- B. Documentary material (reconciling not completed) with Property Division, APO 742.

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COOPERATION WITH ALLIES

Cooperation with the Western Allied Powers was on a cordial basis throughout. The British as well as the French, no doubt, saved themselves a great deal of time and expenses by using the American methods. Relations with the Russians started with difficulties and ended in a like manner. As mentioned previously, we suggested to the Russians in Berlin adoption of the Machine Tabulation System in connection with the BKAX-(1) Program under BK/O (46) 337. Instead, the Russians dovetailed their Berlin Program to the Russian Zone Procedure, whereby all tabulations were made by hand, requiring, of course, large forces of employees simply registering the claims in a chronological order as received. Their final tabulations represented a conglomeration of names. It is extremely difficult to find a particular name, because any alphabetical sequence is non-existent. Upon completion of the First Major US Machine Tabulation of 1947, steps were taken through GEPC, whereby we and the Russians would exchange tabulations. In two meetings only 33 countries out of a total of over 90 were actually exchanged. The Russian tabulations on hand have been photostated by the Berlin office of Alien Property Custodian and a complete set has been sent to Washington D.C. The original copies are with Property Control and External Assets Branch in Wiesbaden. All non-exchanged US tabulations covering the 1947, 1948 Supplementary and all Hand Tabulations reserved for the Soviet member of GEPC are now turned over to the headquarters of Property Division, OMCUS, APO 742.


 JULES WANGLER
 Chief, US Census Section

- 3 Incls
 Incl 1 - Organization 46/47
 Incl 2 - Organization 47/48
 Incl 3 - US Personnel of Section
 1945 - 1948

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