

RG 131 (6/13/60)
Entry 247-FFC General
File CORRESP. 1942-60
Benjamin Franklin
Baker Export-Import
Box 28

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

STATE OF NEW YORK,)
COUNTY OF NEW YORK,) ss.:

LILLIAN MYERS, being duly sworn, deposes and says that the following information is given in response to the questions contained in Form TFBE-1 (Revised):

(1) The name of the applicant is The Benjamin Franklin Baker Export-Import Company Incorporated; the applicant is organized under the laws of the State of New York; the applicant has been operating as a going concern since July 16, 1941; the head, and only, office of the applicant is located at No. 10 East 40th Street, New York, N. Y., and the applicant has no branches, subsidiaries, affiliates or sales offices located outside of the United States.

(2) The applicant has not filed a report on Form TFR-100, on the assumption that Form TFR-300, when made available, will be applicable to the applicant, rather than Form TFR-100.

(3) The applicant is engaged in a general export and import business. It is a new organization and its lines have not as yet been developed. Its President is at this time en route to Argentina in an effort to develop lines of export business from the United States to Argentina and other Central and South American countries.

(4) A list of the present directors and executive

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officers of the applicant, including in each case the nationality, citizenship and present address thereof, is as follows:

<u>Name</u>	<u>Office</u>	<u>Nationality</u>	<u>Citizenship</u>	<u>Present Address</u>
Benjamin Franklin Baker	President and Director	U.S.A.	U.S.A.	10 E. 40th St., New York, N.Y.
Lillian Myers	Treasurer and Director	U.S.A.	U.S.A.	10 E. 40th St., New York, N.Y.
Eustace W. Tomlinson	Secretary and Director	U.S.A.	U.S.A.	60 Broadway, New York, N.Y.

(5) The applicant was not in existence on January 1, 1939. As of the date of this affidavit, all but one of the 30 outstanding shares of the capital stock of the applicant are owned by Albert I. Flegenheimer, Hotel Paris, West End Ave. and 97th Street, New York, N. Y., presently in the United States and formerly a citizen of Germany, but now without such citizenship by reason of having been deprived thereof by the present German Government, so that he claims that he is not a "national" of any blocked country. The other one share, which was originally issued to Albert I. Flegenheimer, has been assigned by him to Benjamin Franklin Baker, the President of the applicant hereinabove referred to.

(6) The applicant has not been since its organization, and is not presently, affiliated with, owned by, or possessed of any interest in, any other enterprise, foreign or domestic, and there have not been since the organization of

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Benjamin Franklin
Box Baker Export-Import 28

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the applicant any transactions having as their effect any material change in any such affiliation, ownership or interest.

(7) The applicant has an authorized capital stock of \$10,000, consisting of 100 shares, all of one class, of the par value of \$100 per share. There are presently outstanding 30 shares of such stock. There is no funded debt.

(8) A detailed statement of all assets of the applicant, indicating where located, and of all liabilities, direct or contingent, of the applicant, identifying the principal creditors and debtors and stating the "nationality" in each case, in so far as known, is annexed hereto as Schedule A. The only account maintained by the applicant is with the Corn Exchange Bank Trust Company, Commodore Branch, 175 East 42nd Street, New York, N. Y., and the balance therein as of the date of this affidavit is \$1,277.49. No amounts of United States currency and coin in excess of \$1,000 are held by or for the account of the applicant.

(9) The applicant does not use any patents, copyrights, machinery, processes or operating methods owned, controlled or licensed by others, nor do any others use any patents, copyrights, machinery, processes or operating methods owned, controlled or licensed by the applicant.

(10) The applicant has no agreements with other persons which have as their purpose or effect influence or control by such other persons over the applicant or by the applicant over such other persons.

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(11) An itemized statement of estimated monthly expenditures is annexed hereto as Schedule B. No estimate of monthly receipts can be made at this time. The applicant has not been in business sufficiently long to be able to furnish a statement of expenditures and receipts during a comparable period in the past.

(12) The transactions or operations to be covered by the license for which application is filed include the estimated expenditures referred to in Item (11) hereinabove and also such transactions as are customary in the conduct of a general export and import business. At this time it is not possible for the applicant to be more specific.

(13) As indicated hereinabove, the applicant is a new organization and its business to date has been entirely in the developmental stage.

The above information is given by me as Treasurer of The Benjamin Franklin Baker Export-Import Company Incorporated in response to questionnaire Form TFBE-1 of the Treasury Department, a copy of which is attached hereto and made a part hereof. Such affidavit has been prepared by me, or under my direction, and I have personal knowledge of the facts stated therein. No material facts or pertinent information called for by such questionnaire have been omitted except as specifically indicated above.

MAILED 14 AUG 1941
MA William Myers

Subscribed and sworn to before me this 7th day of August, 1941. }

William P. Waters

WILLIAM T. WATERS
NOTARY PUBLIC, Kings County
Kings Co. Clk's No. 61, Reg. No. 2074
N. Y. Co. Clk's No. 172, Reg. No. 2-W-113
Commission Expires March 30, 1942

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 File COARESD. 1942-60
 Benjamin Franklin
 Baker EXPORT-IMPORT
 Box 28

SCHEDULE A

THE BENJAMIN FRANKLIN BAKER
 EXPORT-IMPORT COMPANY INCORPORATED

BALANCE SHEET
 As of August 6, 1941.

Assets

Cash in Bank and on hand (New York, U.S.A.)	\$1,276.73	
Furniture & Fixtures (New York, U.S.A.)	<u>211.09</u>	
		<u>\$1,487.82</u>

Liabilities and Capital

Accounts Payable (Pope & Vernum, Inc., Stationery & Supplies, 40 East 41st Street, New York, N. Y. Nationality: U.S.A.)	\$ 22.32	
Capital	\$3,000.00	
Loss on operations	<u>1,534.50</u>	
		<u>1,466.50</u>
		<u>\$1,487.82</u>

PROFIT & LOSS STATEMENT
 For the period ending August 6, 1941.

Sales	\$ -	
Cost of Sales	<u>-</u>	
Income from Sales		\$ -
<u>Operation Expenses</u>		
Office Salaries	\$ 210.00	
Rent	45.00	
General Office Expenses	123.72	
Advertising	11.95	
Traveling Expenses	1,069.05	
Stationery & Supplies	63.78	
Telephone & Telegraph	<u>11.00</u>	
Loss on operations		<u>\$1,534.50</u>

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SCHEDULE B

Estimated Expenses for Sixty Day Period

<u>Salaries</u>	<u>Month</u>	<u>Sixty Days</u>
Benjamin Franklin Baker, President	\$200.00	\$400.00
Mrs. Lillian Myers, Secretary	87.00	174.00
Miss Lotte Irene Loew, Clerk	87.00	174.00
 <u>General Expenses</u>		
Rent	45.00	90.00
Telephone	35.00	70.00
Telegraph & Cablegrams	50.00	100.00
Stationery & Supplies	30.00	60.00
General Office Expenses	100.00	200.00
Professional Services	25.00	50.00
Traveling Expenses	250.00	500.00
Advertising	100.00	200.00
Freight	1,000.00	2,000.00
	<hr/>	<hr/>
	\$2,009.00	\$4,018.00

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333090

The National City Bank of New York

ESTABLISHED 1812

New York January 17, 1941

CABLE ADDRESS 'CITIBANK'

IN REPLYING PLEASE QUOTE INITIALS WW

*File
JWP*

Mr. John W. Pehle, Assistant to the Secretary,
Treasury Department,
Washington, D.C.

Dear Mr. Pehle:

As you know, rumors of an extension of the Foreign Funds Control on a global basis, are circulating in financial circles abroad. As reported to us, these rumors indicate apprehension that the Treasury contemplates that foreign property in the United States will not simply be placed under protective control, but expropriated or otherwise dealt with. We feel able to assure those who inquire of us that neither the language of the Trading with the Enemy Act, Executive Order 8389, as amended, nor the way in which the Control has been handled by you and your associates, can legitimately give rise to such apprehension. We hope in this fashion to be able to deal with dollar depositors of our foreign branches although, as I told you over the telephone, and have since related to Mr. Towson and Mr. King, anything which would so increase their apprehension as to cause a flight from the dollar, would be serious for us, and particularly so in Shanghai where Twenty-seven Million Dollars of our total deposits of the equivalent of Thirty-six Million are in United States Dollars. It would be helpful, therefore, if any announcement that might accompany an extension of the Control, might give consideration to allaying those apprehensions.

So far as our operations at Head Office are concerned, we do not doubt that if an "all-out" extension of the Control is ordered, you will continue to help us meet our problems in the same prompt and cooperative fashion that has been our experience to date. In giving you, as I now propose to do, a brief picture of the extent and character of our operations involving foreign property within the United States, I have no thought other than that it might be helpful for the Control to have these facts before them for consideration in connection with any further extension:

A. Foreign Branch Accounts with Head Office

Number - 97

Aggregate balance Dr. \$12,551,000.

Number of daily operations - 1250

Cr. \$127,738,000

Drafts Advised Account

Number - 126

Aggregate balance \$9,134,000

Number of drafts paid daily - 1200

RG

131

Entry

247

File

National City Bank
1st. New York

Box

304

333991

January 17, 1941

WW

Mr. John W. Pehle, Assistant to the Secretary,
Treasury Department, Washington, D.C.

Other Affiliate Accounts with Head Office

Number - 5
Aggregate balance \$6,000,000
Number of operations daily - 0-

B. Foreign domiciled accounts on books of Head Office & New York Branches

Number - 11599 (Head Office.....5,740)
(Inactive..... 270)
(City Bank Farmers Branch...5,589)
11,599

Aggregate Balance - Cr. \$389,924,000.

(Head Office.....\$306,924,000)
(City Bank Farmers Branch..... 68,000,000)
(Other Branches..... 15,000,000)
\$389,924,000

Dr. \$5,794,000.

Daily Number of operations (approximate)

Head Office.....2,200
City Bank Farmers Branch..... 420
2,620

At the present time approximately seventy million dollars, or roughly one-sixth of the foreign deposits and other property in our possession, are affected by Executive Order 8389, as amended. In connection with the handling of that portion we are averaging almost 500 applications per week and are making roughly 150 reports. Assuming, therefore, that the Control were to be extended on the same basis to the rest of the world, the number of applications we would make would rise to 3,000 a week and the reports to 900 per week. This may be too conservative an estimate, as war conditions have naturally very much curtailed the activity of our accounts of nationals in the countries presently affected. In any event it would represent such a tremendous increase in work on our part, as well as that of your own organization and that of the Federal Reserve Bank of New York as to suggest the issuance of as many general licenses and special licenses authorizing the operation of specified accounts as possible.

While, of course, it will ease the operating problems, both from your standpoint as well as ours, to have as much liberty as possible, we understand that such freedom of action must not be at the expense of the objectives the Control is set up to achieve. It is in my mind that perhaps it might be possible for you to issue a form of license which might permit us to cooperate in that objective by authorizing us to permit transfers and withdrawals of property of an affected national so long as we were satisfied that the transactions did

RG 1316
Entry 247
File
Box 304

333992

January 17, 1941
WW

Mr. John W. Pehle, Assistant to the Secretary,
Treasury Department, Washington, D.C.

not contravene any purpose that you were free to indicate. Or, if it is impractical for you to state those purposes, either in licenses, or confidentially to us, it might be feasible to station your own representative with us, and empower him to separate those transactions which should be reviewed by your staff in Washington from those which obviously do not require such scrutiny.

Let me say that these suggestions are made with no thought of anticipating your own plans, but simply in the belief that you might find it helpful to have the facts.

Sincerely yours,

Arbert Ward
Assistant Vice President.

Copies to:

- | | |
|---|-----------------------|
| | Mr. Bell |
| ✓ | Mr. Bernstein |
| ✓ | Mr. Cochran |
| ✓ | Mr. White |
| ✓ | Mr. Wiley |
| ✓ | <i>Mr. Tausen</i> |
| ✓ | <i>Mr. King</i> |
| ✓ | <i>Mr. Schumacher</i> |

From: Mr. Pehle

RG	131
Entry	247
File	<i>Wolcott, L. B. H.</i>
Box	<i>304</i>

333993

The National City Bank of New York

ESTABLISHED 1812

FILING AUTHORITY
TO: Mail & Files
ANS.
NO ANS. REQ.
INITIAL
DATE

New York June 17, 1941

CABLE ADDRESS 'CITIBANK'

IN REPLYING PLEASE QUOTE INITIALS L/C

Mr. John W. Pehle, Assistant to Secretary,
Treasury Department,
Washington, D. C.

Dear Mr. Pehle:

We have at present in the hands of certain correspondents a supply of National City Bank Travelers' Checks which said correspondents hold in trust for sale to their clients. A list of the correspondents and the amount of Travelers' Checks which they hold follows:

Finlands Bank Helsingfors, Finland	\$5,110.
Kansallis Osake Pankki Helsingfors, Finland	1,720.
Nordiska Foreningsbanken A.B. Helsingfors, Finland	1,190.
Goteborgs Handelsbank Gothenburg, Sweden	10.
Aktiebolaget Kreditbanken Stockholm, Sweden	720.
Aktiebolaget Svenska Handelsbanken Stockholm, Sweden	83,210.
Skandinaviska Banken Aktiebolag Stockholm, Sweden	23,040.
Stockholm Enskilda Bank Aktiebolag Stockholm, Sweden	24,430.
Swiss Bank Corporation Basle, Switzerland	5,170.
Union Bank of Switzerland, Basle Office, Basle, Switzerland	3,550.
Banque Populaire Suisse Berne, Switzerland	12,570.
Banque Cantonale Vaudoise Lausanne, Switzerland	2,450.

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New York
Box 304 6/15/41

333994

Banque Populaire Suisse Montreux, Switzerland	\$ 2,450.
Union Bank of Switzerland Winterthur Office Winterthur, Switzerland	1,820.
Banque Federale S.A. Zurich, Switzerland	13,140.
Credit Suisse Zurich, Switzerland	33,410.
Leu & Co's Bank Ltd. Zurich, Switzerland	9,460.
Union Bank of Switzerland Zurich, Switzerland	20,510.

In view of Executive Order 8785 amending Executive Order 8389 we inquire as to whether or not it is your view that we should cable to each of the correspondents listed above instructing them to suspend temporarily or permanently the further sale of our Travelers' Checks. In view of the fact that the sales effected by the foregoing banks have been in amounts which would be normally used by purchasers for travelling purposes, it would be our inclination not to disturb the existing arrangement, at least for the time being, on the theory that General Licenses may be granted to some or all of the banks referred to herein which would enable such banks to continue sales without interruption.

Will you kindly favor me with your recommendations on the subject, and with assurance of my appreciation of your courtesy, I remain

Very truly yours,


Assistant Vice President.

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File	National City Bank of New York
Box	304 61151

333995

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INITIAL
DATE

The National City Bank of New York

ESTABLISHED 1812

New York June 26, 1941

CABLE ADDRESS 'CITIBANK'

IN REPLYING PLEASE QUOTE INITIALS

WW

Foreign Funds Control
Treasury Department
Washington, D. C.

Ans. dated 9/2/41

Dear Sirs:

Att: Mr. Carre

Can you help us with the interpretation of Section 2A of General License #1 as amended (Federal Reserve Circular #2222 of June 17, 1941) as it relates to crediting income on securities held by us in safekeeping for banking correspondents in countries affected by Executive Order 8389? As you are aware, in some cases the banks do not designate that they are not themselves the owners of the securities. In other cases they indicate that third party ownership exists but do not identify their principals; and in still other cases they do disclose the identity of the actual owner. The question is whether in any or all of these instances we can follow the usual and customary bank practice which has heretofore prevailed of crediting the income to the account of the banking institution itself in view of that provision of Section 2A which provides that we may not credit a blocked account other than that of the ultimate beneficiary of the payment or advancement.

I wrote Mr. Pehle on June 25 outlining a similar difficulty with reference to collecting the proceeds of documentary collections received by us from such banks. I pointed out to him that in many countries, as you are aware, the dollars received, whether from the sale of goods abroad or as income from investments abroad, cannot be retained by the principal but must be turned over to some form of exchange control. I am sure that your familiarity with the safe-custody business is sufficient to make it unnecessary for me to point out how impractical it would be to change the present practice with regard to the application of dividends on securities. So far as coupons are concerned, as there has been no amendment of General License #27, it seems to authorize the crediting of proceeds of coupons collected to the account of the correspondent. Under these circumstances it will be our practice unless, and until the Treasury expresses a contrary viewpoint to regard both General License #27 and General License #1 as amended as permitting the crediting of both dividends and coupons to the account of our correspondent bank whether or not they disclose that there is a third party ownership.

Very truly yours,

Walter Ward

Assistant Vice President

RG

137

Entry

247

File

Noted City 10-10
67 New York

Box

304

333996

10: 333997
AND.....
.....
.....
DATE.....

The National City Bank of New York

ESTABLISHED 1812

New York June 27, 1941

CABLE ADDRESS 'CITIBANK'

IN REPLYING PLEASE QUOTE INITIALS WW

Mr. A.V. Fox,
Foreign Funds Control,
Treasury Department,
Washington, D. C.

Dear Mr. Fox:

My phone call to you this afternoon is really an out-growth of the situation which I first brought to Mr. Towson's attention in connection with my letter of May 8th, and concerning which I talked to Mr. George Leman last Saturday. I sent Mr. Towson, and I enclose herewith for your information, a copy of our circular negotiation form of credit which is similar to that customarily used by American banks in financing importations to the United States. This form has continued to be employed generally since May 8, 1940 when Executive Order 8389 was first issued, and so far as I am aware, the question has not been raised as to the right of a negotiating bank to receive payment of the proceeds of a draft negotiated in accordance with the terms of such a credit, although the beneficiary was a Norwegian, a Danish, a Belgian, Dutch, or any other national of a country designated by the Order prior to June 14th. However, with the extension of the Order to the remaining countries in Continental Europe on June 14th, the question has apparently been raised with the Treasury by American banks issuing such letters of credit. I understand from the Continental Illinois Bank & Trust Company that they have raised the question and that they have a license restricting payment to a blocked account on their books in the name of the affected national. I have before me a letter of the Bank of America, San Francisco, dated June 25th, which informs us that as a result of Federal License SF 4786, they have been obliged to credit to blocked accounts in favor of our Kobe and Yokahama offices, drafts negotiated prior to June 14, 1941 by beneficiaries of similar letters of credit.

As you know, the beneficiary of such a letter of credit receives payment in local currency at the time the draft is negotiated, and upon payment of the draft by the American bank which issued the letter of credit, his contingent liability as drawer is extinguished and he therefore has no further interest, direct or indirect, in the funds. This is the legal situation, which I am confident your counsel can confirm to you. It seems perfectly apparent, therefore, that in compelling a bank which has negotiated such drafts at a time prior to the time the Executive Order was applicable to the drawer, to continue to hold the proceeds of the draft in a blocked account, although the drawer has received his money and has no longer any interest, direct or indirect, in the dollars, does not make sense.

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Box 304 6/15/41

333997

June 27, 1941
WW

Mr. A. V. Fox,
Foreign Funds Control,
Treasury Dept. Washington, D.C.

Nor do I see that it is possible, as a matter of fact, to distinguish between drafts negotiated subsequent to June 14th. As I pointed out to Mr. Towson in my letter of May 8th, there is no way for a bank which has issued a circular negotiation credit, thereafter during its validity to acquaint every bonafide holder who may be induced to negotiate drafts on the strength thereof, that the undertaking is subject to Executive Order 8389, and, of course, the Order has no validity outside of the jurisdiction of the United States. I think that the only practical solution to this problem is to issue a general license similar to general license 45, except that it would permit banking institutions within the United States, (not simply domestic banks, as does general license 45, because such credits are also in circulation, issued by banks such as Barclays D.C.O., French American, etc., which are not domestic banks) to accept and pay documentary drafts drawn under irrevocable letters of credit issued or confirmed prior to June 14, 1941, although the beneficiary is an affected national.

If the Treasury Department is unwilling to do this, of course our only alternative will be to cable our branches throughout the world, instructing them not to negotiate drafts though drawn under confirmed, irrevocable credits, if the beneficiary were an affected national, and by that, of course, we mean not simply Italians and Germans, but nationals of all the countries designated in the Order, because the Order itself does not distinguish between Germans, Italians, and the other nationals. If I thought it was really the intention of the Foreign Funds Control to deny to banks negotiating the drafts of say, Dutch concerns, the right to utilize the proceeds, I would not hesitate to send the cables. However, I feel that the effect of such cables sent to our branches throughout Latin America and the Far East would create a great confusion on the part of banks, and uncertainty on the part of nationals whose business the Foreign Funds Control does not wish unduly to disturb.

Of course I appreciate and fully sympathize with the desire of the Foreign Funds Control to dry up transactions with German and Italian nationals and Axis sympathizers as quickly as possible, and I believe we would be willing to continue to let our foreign branches operate without the protection of a general license such as I suggest, and also cable them to avoid negotiating drafts drawn by Italian or German nationals, or people on the British black list, provided the Foreign Funds Control will assure us that it will freely grant every application by banking institutions within the United States to pay us without restriction, though the beneficiary may be someone that you would rather not license. By such an understanding the Treasury will gain the benefit of the circulation throughout the markets in which our branches operate, of the knowledge of its determination to bring to an end dealings with German, Italian and blacklisted firms, while we will be assured that we will not be landed with any further unuseable dollars.

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File	National City Bank at New York
Box	304 6/15/41

333998

The National City Bank
of New York
ESTABLISHED 1812

FILING AUTHORITY
TO: Mail & Files
ANS.
NO ANS. REQ.
INITIAL *J. T. Birch*
DATE *10/20/41*

New York August 7, 1941

CABLE ADDRESS "CITIBANK"

IN REPLYING PLEASE QUOTE INITIALS WW

Mr. Ansel F. Luxford,
Foreign Funds Control,
Treasury Department,
Washington, D.C.

Ans. dated *10/20/41*

Dear Mr. Luxford:

Our Travelers' Letter of Credit Department is concerned with regard to the application to their operations, of Public Circular #2. I have told them that it is my understanding that the inquiries, to which the Circular records the replies, related to documentary commercial letters of credit.

Under the circumstances I trust that we may not regard the Circular as applicable to clean travelers' letters of credit. By this I mean to say that so far as travelers' letters of credit are concerned, we should like to continue to pay on presentation, any drafts presented by an unaffected national, although the credit had been issued by us prior to the effective date and for account of an affected national. Our present practice, and the one we would like to continue, is that of paying the unaffected national from our own funds and thereupon applying to the Treasury for a license to debit the account of the affected bank for our reimbursement.

Another problem presents itself with regard to the clean irrevocable credits established to facilitate the immigration into Cuba of European refugees - practically all these refugees are affected nationals. The typical credit is in the principal amount of \$2,000, available to the beneficiary upon personal application at the office of our Havana Branch, and payable in six equal monthly installments of \$333.33 each, accumulative. Many hundreds of such credits were set up prior to June 14, 1941 in favor of refugees who were nationals of countries not at that time blocked. As these credits were established to satisfy the immigration requirements of the Cuban Government, it would undoubtedly create considerable confusion were we to advise our Havana Branch that we could not honor our irrevocable obligations until the beneficiaries had procured licenses authorizing us to do so. Some of our competitors are continuing to make such payments on the theory that Executive Order 8389 cannot impair their obligation to make payment, even though to an affected national. I have told our own Letter of Credit Department that I cannot subscribe to that theory, and that I think the proper course for us to adopt is to make

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Entry 247
File *National City Bank
New York 2*
Box 304 *6/15/41*

334000

August 7, 1941
WW

Mr. Ansel W. Luxford,
Foreign Funds Control,
Washington, D.C.

application at this time for a license to carry out our outstanding credits
of this character. NY 216393 approved for bonus. 9/10.

I am writing you in this connection because I fear
that without some consideration by you of the whole situation, our applica-
tion would be denied on routine ground, and I shall therefore take the
liberty of referring to this letter, in the hope that the application may
then come under your observation when it reaches Washington.

With kind regards, I am

Sincerely yours,

Walter Ward ✓
Assistant Vice President.

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Entry	247
File	National City Bank New York
Box	304 611513

334001

OCT 20 1941

Dear Sirs:

Attention: Mr. Wilbert Ward

Reference is made to your letter of August 7, 1941,
(HW), relative to Application No. NY 216393.

You are advised that Application No. NY 216393,
filed by you with respect to the matter referred to in your
letter, has been approved by this Department.

Very truly yours,

(Signed J. W. Pehle

J. W. Pehle
Assistant to the Secretary

The National City Bank of New York,
New York, New York.

HWG

HWG:erm 10/17/41

(Handwritten initials)

RG	131
Entry	247
File	National City Bank New York
Box	304 61569

334002

The National City Bank
of New York
ESTABLISHED 1812

New York September 11, 1941

FIFTY-FIRST STREET BRANCH
NINE WEST FIFTY-FIRST STREET
CABLE ADDRESS "CITIBANK"

IN REPLYING PLEASE QUOTE INITIALS HLW

Mr. A. F. L. Rueffer
Foreign Funds Control
Washington, D. C.

Dear Mr. Rueffer:

We have been informed by Mrs. Mabel Ewan Sabbag who recently conferred with you concerning the release of certain securities held by Brown Brothers Harriman & Company for her account by order of the Banque de Paris et des Pays-Bas, Geneva, that your file does not contain certain documents as required by the Federal Reserve Bank of New York. Mrs. Ewan informs us that she referred you to application No. NY-145734^x which was the number assigned to the first application whereas the application number under which these documents are filed is NY-203034.

We are enclosing a photostatic copy of the original letter from the Banque de Paris et des Pays-Bas, Geneva, dated April 25, 1941 advising us that Brown Brothers Harriman & Company are holding securities for delivery to us for the account of Mrs. Mabel Ewan Sabbag. Mrs. Ewan advises us that a copy of this letter is also necessary to effect the release of these securities. Brown Brothers Harriman & Company are submitting another application to the Federal Reserve Bank of New York with a copy of this letter. Will you kindly advise us if there is anything further we need to do to acquire these securities for delivery to Mrs. Ewan.

Very truly yours,

A. F. L. Rueffer
Manager

enc.

SEP 12 '41
Noted

RG	131
Entry	247
File	National City Bank of New York
Box	304 6/13/41

33-1003

Par clipper

TÉLÉPHONE
4 72 00

BANQUE
DE PARIS & DES PAYS-BAS
SOCIÉTÉ ANONYME
CAPITAL VERSÉ : 300 MILLIONS DE FRANCS

eo GENEVE, le 25 avril 1941
6, RUE DE HOLLANDE

SIÈGE SOCIAL : PARIS

S
SUCCURSALES : { AMSTERDAM
BRUXELLES
GENÈVE

Télégrammes : PARIBAS-GENÈVE
15.122

PRINCIPAUX CODES
BENTLEY 1^{re} & 2^{me} ED.
PETERSON 1^{re} 2^{me} & 3^{me} ED.

THE NATIONAL CITY BANK OF NEW YORK
55 Wall Street
NEW YORK

AIR MAIL
PASSED BY FOREIGN CENSOR
INCOMING MAIL DEPARTMENT

Messieurs,

Nous vous informons que d'ordre et pour
compte de Madame Mabel EWAN SABBAG, 222 Kalarama Street, STAUNTON
(Virginie) et en faveur de votre Agence 9 West 51 Street

1^o nous vous faisons livrer par Messieurs BROWN BROTHERS HARRIDMAN
& Cie, 59 Wall Street, New-York

15 (quinze) actions Anaconda Copper Mining Co
10 (dix) actions International Nickel of Canada
15 (quinze) actions Texas Corporation

vous voudrez bien vous mettre en rapport avec ces Messieurs pour
les justifications à fournir pour la livraison de ce dossier.

2^o nous plaçons sous votre dossier, à votre crédit en "compte de ti-
tres"

- a) 10 (dix) act. Banque Nationale d'Egypte
5 (cinq) act. Banque de Paris & des Pays-Bas
20 (vingt) parts de fond. Sté Franco Néerlandaise de Culture
et de Commerce
5 (cinq) act. ord. Agricole & Sucrière de Nossi Bé
450 (quatre cent cinquante) act. Omnium Français de Pétroles
185 (cent quatre vingt cinq) act. Shell Transport & Trading
180 (cent quatre vingts) act. Cie Gle de Télégraphie sans fil
7 (sept) act. Union Espagnole d'Explosifs
- en dépôt dans nos caisses
- b) 14 (quatorze) act. nouv. Union Espagnole d'Explosifs
en dépôt chez le Banco Espanol de Credito à Madrid
- c) 37 (trentesept) act. ord. Shell Transport & Trading co
en dépôt chez la Midland Bank Ltd à Londres

Nous restons dans l'attente de votre accord
au sujet de ce qui précède et de vos instructions éventuelles et
vous présentons, Messieurs, nos salutations distinguées.

BANQUE DE PARIS & DES PAYS-BAS
Succursale de Genève

RG 131
Entry 247
File National City Bank
of New York
Box 304 6/15/41

334004

INC. MAIL
FOREIGN
NO. 101
YAM
THE NATIONAL CITY BANK
OF NEW YORK

THE NATIONAL CITY BANK OF NEW YORK (VALPARAISO BRANCH)

(i) The accounts of persons or bodies of persons who are enemies by reason of residence in, or of carrying on business in, or of constitution under the laws of, a State with whom His Majesty is at war, may continue to be maintained. Your Branches are, however, to see that no benefit accrues to an enemy (whether the account holder or other enemy) from the account by way of payment, except a payment to which the local British Mission agrees and which is required by local legislation. Similarly no obligations of an enemy (whether that of the account holder or others) may be discharged except with the permission of the local British Mission.

The account should function solely as a local domestic account, no facilities should be afforded and no foreign exchange business or settlement of foreign business on behalf of the account holder or others may be conducted. (An exception to this generality may be made where remittances from the account to an individual in enemy territory for sustenance are permissible under local legislation and are approved by the local British Mission).

(ii) The accounts of persons or bodies of persons who are enemies (a) by residence in, or by reason of carrying on business in, or of constitution under the laws of, an enemy-occupied territory, or (b) by reason of being controlled from such territory, may continue to be maintained subject to the conditions laid down in (i) above. Additionally as to the accounts of enemies as defined at (b), application may be made to the local British Mission for authority to conduct in suitable cases a class of business or to carry out a special operation.

(iii) There are no names on your lists which appear on the Statutory List or American Proclaimed Lists. If, however, the names of any of your customers should appear on that list the account may be maintained as in (ii) (b) above, with special attention to the principles enunciated in the code of conduct laid down in the circular of this Department of 11.4.41 which accordingly for the purpose hereof is modified as to the opening lines of its Paragraph No.6.

3. The foregoing authority is given subject to the provision that a direction by the local British Mission to close any particular enemy account shall be accepted and acted upon by your branch with all despatch.

4. This general licence may be regarded as extending to any enemy accounts held by your branches, whether in the lists you submitted or otherwise.

5. It will be observed that the foregoing does not provide for the maintenance of an account for an enemy whose enemy status arises by reason of control from a territory with whom His Majesty is at war and whose name does not figure on the Proclaimed List. In such case a special licence will be necessary, involving reference to the local British Mission, but in no case may the operation on such account extend beyond those provided for in paragraph 2 above.

6. As to any technical or particular difficulty in their day to day operations which your branches any experience in conforming to the terms of this licence, this Department offers no objection to an approach being made in the first instance to the local or nearest British Mission.

Very truly yours,
THE NATIONAL CITY BANK OF NEW YORK (VALPARAISO BRANCH)

334006

RG	131
Entry	247
File	National City Bank of New York III
Box	304 6/13/42

MEMORANDUM FOR THE FILES

Investigations Unit

October 25, 1943

Re: Sigmund Nebenzahl,
(Application NY 531346)

The Licensing Division forwarded the application to the Investigations Unit because of the fact that the subject previous to April 1942 when he arrived in the United States, had engaged in unlicensed foreign exchange transactions with Kosches Brothers of Los Angeles, California, and Adolph Radbill of New York City. The Licensing Division felt that this Unit might be interested in the activities of Kosches Brothers and Adolph Radbill.

A review of our files fails to disclose any information of an adverse nature concerning Nebenzahl since he arrived in this country and technically he did not violate the Executive Order prior to April 1942 since he was then not subject to the jurisdiction of the United States. Neither did our files contain any adverse information on Kosches Brothers and Adolph Radbill subsequent to the subject's entry to this country. A check of Censorship files was also made and revealed no attempts on the part of any of the three parties to engage in foreign exchange transactions subsequent to April of 1942.

In view of the foregoing information and of the fact that the transactions in question took place from eighteen months to three years ago, it is felt that this Unit need not take any action at the present time and it is recommended that NY 531346 be handled in accordance with the normal licensing procedure.

J. P. [Signature]
PSM

334007

RG	131
Entry	247
File	Nebenzahl, Sigmund
Box	306 611/102

October 7, 1942

: Theodore H. Ball

: R. J. Schwartz

Application Number: NY 451995

Applicant: Sigmund Nebenzahl

Digest of Case:

Application requests permission to withdraw from Customs custody 363.82 carats of loose polished diamonds valued at \$33,981.55, Customs entry No. 749922, also requests to turn over 40.72 carats, value being \$1,628.80 of the 363.82 to \$. & S. Friedman, New York City for whom the applicant states the 40.72 carats were purchased.

Sigmund Nebenzahl, the applicant, a diamond dealer, is a refugee from Belgium. He claims to have fled from Belgium to unoccupied France after the invasion, as well as claiming that he took all of his merchandise inventory and declared only a small part of the total at Royan, France. Upon his arrival in Havana and then in the United States, Nebenzahl declared the total inventory. No declaration was made in passing through the British at Bermuda.

In license No. NY 405588, the applicant gives his itinerary from Belgium to the United States. "On May 10, 1940, I left Antwerp, Belgium. Arrived at the Belgian Frontier on May 15, 1940 at the town of La Panne. I was there until June 14, 1940. On June 14, 1940, I left La Panne for France, arriving at Royan. From there I went to Bayonne, France. After several attempts to cross the Spanish Border at Bayonne, France, I left Bayonne on June 26, 1940 for Cannes, France. I stayed at Cannes, until October 2, 1941. On October 2, 1941 I left Cannes for Bilboa, Spain. On October 8, 1941, I left Bilboa arriving in Havana, Cuba. I left Havana, Cuba on April 28, 1942 arriving in the United States at Miami, Florida the same day. I came to the United States with an immigration visa under the Polish quota."

It is our policy to examine any application extremely carefully for the release of diamonds from customs in an attempt to satisfy ourselves that the stones are not looted. This is problem #1 of subject application.

The license No. NY 410848 was a similar request to subject application and was denied because evidence of ownership was not clearly established.

The applicant states, in supplementary information attached to subject application (it is corroborated from other sources), that about the time of the fall of France, (in June, 1940, many Belgian refugee diamond dealers crossed the French border at Royan. "At that border on May 16, 1940, the French authorities refused to attend to the registration of the diamonds due to the confusion.

334008

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Entry	247
File	Nebenzahl, Sigmund
Box	306

6/13/42

They suggested that the applicant keep moving and the registration would be attended to later on. A week or two later, at Royan where many of the refugee diamond dealers had congregated, conferences were held with the French authorities and it was then decided that all diamond merchandise which was not properly registered at the border would be then and there registered at an improvised customs house. As few officials were available, it was further decided that Charles van Antwerpen, who was then and there elected president of a temporary diamond club, should handle this registration for the French authorities. At that time, there was no question of Van Antwerpen's disloyalty. Everyone was of the opinion that the retreat was temporary and that all would return to Antwerp, Belgium in the near future. No German or Nazi officials had anything to do with this registration. The act took place in order to comply with French regulations which could not be carried out at the border. In the presence of a committee member of the diamond club and a committee member of the French Ministry of Labor, everyone's merchandise was examined, then sealed and handed back to the owners, together with a certificate of registration." (See Page 3 of Rider Attached to NY 451995).

Van Antwerpen is reputed to be on good terms with the German authorities and has been given some authority on diamond property problems in Paris. Van Antwerpen did give a statement to Nebenzahl to help him get diamonds from Europe.

This was a source of concern to the British and presents problem #2. A letter from the British Embassy to Mr. Day, dated August 23, 1942, states that Nebenzahl "approached the Federal Reserve Bank for permission to liquidate Charles Van Antwerpen's indebtedness to the Banque Diamantaire Anversoise. It is suggested that this is the first step towards the unblocking of a parcel of rough diamonds which the Banque is holding for his account in England".

I spoke with Mr. Hamman, New Federal Reserve Bank, on October 7, and asked about Nebenzahl and the Banque Diamantaire. Hamman remembered discussing the matter with Mr. J. C. Jones (8/3/42) but did not recall the facts. He called back later after speaking to Kimball at the Banque Diamantaire Anversoise. It was Kimball's opinion that if Nebenzahl attempted to pay any of Van Antwerpen's indebtedness it was either because he hoped to free van Antwerpen's diamonds blocked in London or else the stones he, Nebenzahl had in customs were not his, but belonged to Antwerpen. Applicant according to Kimball is not inclined to do anything that does not guarantee a financial return. Hence if Sigmund Nebenzahl did attempt to liquidate van Antwerpen's debt it would look bad, but Kimball does not know that Nebenzahl ever approached B. D. A. and the Federal has no record of any such attempt by him. The British information cannot be accepted as authoritative when the apparent source knows nothing about it. This applicant seems to explain his connection with van Antwerpen in a satisfactory manner.

The large part of the subjects diamonds and those which he is asking to be released from Customs were smuggled out of Europe and, as indicated above, were not declared in Europe or at British Customs. There were first declared at Havana. (See applicant's statement submitted with NY 451995 and memo of July 1, 1942 to Mr. Day from Mr. Schwartz). Applicant has attempted to account for the purchase of all stones now in Customs. Although this is not to be accepted as final, there seems to be little evidence toward establishing the stones as looted.

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File	Nebenzahl, Sigmund
Box	306 6/13/43

334009

Sigmund Nebenzahl, while in France, engaged in personal foreign exchange business purchasing French francs and selling the same against dollar balances in the United States. (See NY 410360, NY 426117, in answer to our green slip re NY 451995). This is problem #3.

It is difficult to determine from the available information the effect of these foreign exchange transactions on Sigmund Nebenzahl's financial status. Korches Bros. was a debtor of Nebenzahl's and was one of the two persons who handled Nebenzahl's foreign exchange transactions on this side of the Atlantic.

At the outset (flight from Antwerp) Nebenzahl owed Adolphe Radbill \$9,360 which was reduced to a present debt of only \$2,050.00.

At the outset Korches Bros. owed Nebenzahl \$21,337.76 which was reduced to a debt of \$8,067.50 on May 12, 1942 when Nebenzahl arrived in the United States. This apparent loss by Nebenzahl of \$13,270.26 is meaningless since it does not take into consideration the following:

1. The funds and assets Nebenzahl started with when he left Belgium,
2. His expenditures from the time he left Belgium,
3. His accounts receivable and payable to persons in Europe. (See NY 405588),
4. The rate(s) of exchange Nebenzahl used. He says "all of the French franc transactions were approximately at the rate of 50 to the dollar".
5. The credits to Radbill's own account (See NY 103931).
6. \$3,691 which Radbill sent to or spent directly for Nebenzahl (part of the funds paid out of Nebenzahl's account).
7. \$1190 of the deposits to Nebenzahl's account with Radbill were for diamonds previously sold to Reinhold Bros.
8. Korches Bros. payment of \$2500 to Nebenzahl (part of the \$13,270.26 paid out of Nebenzahl's account).

It does not seem reasonable to assume from what we can learn of Nebenzahl's reputation that he would deal in French francs to help people in Europe. However it can only be postulated from the given facts that: 1. Nebenzahl had two major assets when he arrived in France in May of 1940; His wife's jewelry and currency consisting of 200,000 Belgian francs, 105 English pounds, 140 Dutch guilders. 2. These assets were converted and cleared by two transactions which should remove them from our picture. The two transactions (see answer to green slip NY 451995) were:

- (a) \$3450 in cash Nebenzahl was allowed to take out of France and the English and Dutch currency.
- (b) Cashing of four checks totaling \$12000 received from E. A. Labouchere, L. L. Addy and M. G. Milne, brought by Nebenzahl to the United States and \$7000 of this cashed under license NY 426117.

3. Nebenzahl did not accumulate any additional dollars in the United States. 4. If he had only the stated assets when he left Belgium and kept all of his diamonds he still received approximately \$6000 in remittances from A. Radbill and Korcher Bros. for living expenses from May 1940 to his arrival here in April 1942. 5. This money was used over a two year period for himself and his family and although it appears sufficient for their needs, there is no reason why he could not have made profits in French franc transactions and have the profits in accounts receivable (item #2 of NY 405588), have some of the funds or have received them through unlicensed transactions in which Radbill would have played a part.

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Box 306 6/13/42

334010

The preceding paragraph may just as well be a fantasy as a key to actual facts, but it is felt that the problem of French franc transactions not necessarily dismissed by Nebenzahl's claim to have acted only to aid people in distress.

All of the monies received by Radbill and Kosches Bros. for Nebenzahl should have been paid to a blocked account and any payments by them should have been made under license. An examination of the available files indicates pretty clearly as does Nebenzahl's statements that not all the licenses that should have been secured were.

NY 62172 -- Reinhold Bros. Inc. owed S. Nebenzahl \$2950.93 for diamonds purchased from him on May 10, 1940, in Antwerp. The request to have the money paid to Michel Birnbaum was denied because of insufficient information. Lawyers for Reinhold appealed and wrote, "We are advised that the family of Mr. Nebenzahl, the creditor involved, is destitute in France and in the event that permission is refused to make the payment requested, we would ask that permission be granted to send Nebenzahl for the use of his family the sum of \$250 a month." This is not true. Sigmund Nebenzahl was not destitute!

NY 62172 -- Later approved for payment to a blocked account. Request to pay to free account filed and apparently no change was made. This license would account for ten of the credits to Nebenzahl's funds with Radbill.

NY 103931 -- Radbill received \$1000 from account of Mrs. K. M. Rogers. In answer to a questionnaire he claims payment is for an old debt -- French francs he gave to Nebenzahl. This statement is a new angle but is substantiated by the applications NY 18153, 65069, and 112740 and because credits made under these numbers were to Radbill's own account.

This is the only clear series of violations and fall upon Radbill and Kosches rather than Nebenzahl. Nebenzahl's effort to build up dollars here while he was in Europe would be understandable, but his accounts also show a purchase of francs in France for a debiting of dollars here.

Alexander Radbill was arrested in November 1941 by customs agents in New York for attempting to import without a license. He is not blocked. Alexander Radbill is a partner with his brother Adolphe in A. Radbill Company. Adolphe is the individual whom Nebenzahl had receive and pay out funds for him.

Enigma 4 -- Nebenzahl claims not to know Alexander Radbill although Alphonse Radbill is Nebenzahl's nephew and Nebenzahl is paying \$75 rent to the Radbills and both officers are at 580 Fifth Avenue, New York City.

Conclusion:

We are not taking any action on NY 451995 for the release of diamonds from Customs until your office reviews the case and makes a decision as to whether an investigation is warranted.

NY 18153	NY 62172	NY 103931	NY 156062	NY 410363
19009	65069	112740	405588	410847
57072	75502	118424	407981	410848
				426117
TFR-300's		Dispatches		451995 (Pending)
Correspondence file		May file		

RJSchwartz:MLA 10/10/42

R. J. Schwartz

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Entry	247
File	Nebenzahl, Sigmund
Box	306

334011

August 13, 1942

MEMORANDUM FOR THE FILES

Re: NY 410848 - Sigmund Nebenzahl

The subject application is attached.

Mr. Max Siskin, attorney for the applicant, came in to discuss the procedure to be followed in filing a new application in connection with the transaction set forth in NY 410848. He stated that he contemplated filing a new application and wanted to talk the matter over with the Treasury Department before doing so.

Mr. Siskin showed me a draft outlining the character, history, etc., of Mr. Nebenzahl, and asked if we would be interested in receiving information with respect to any points not covered in such draft. It was pointed out that we would be interested in receiving any information Mr. Nebenzahl might care to submit concerning his former relationship with Charles Van Antwerpen and concerning Mr. Antwerpen himself. Mr. Siskin said that he intended to cover this matter in the new application.

He also showed me a rough draft of a list he was in the process of drawing up, showing various persons from whom the relative diamonds were purchased. It was indicated that we would be very interested to see such a list.

Mr. Siskin stated that we could expect to receive the new application in about a week. He was firmly convinced as to the fine character and responsibility of his client, and expressed the hope that we would be able to regard the release of the diamonds more favorably than we had in the past. Mr. Siskin was assured that we would give careful consideration to the application he was proposing to submit.

H. W. Glenn

HWG

cc: Mr. J. C. Jones.

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Box	306 6/13/42

334012

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE August 7, 1942

TO Mr. Bradford ~~Fisher~~
FROM Mr. Wexler
Re: NY 426117 - Sigmund Nebenzahl

The above application is attached together with NY 410360 and 410848.

Mr. Carl Deutsch, accountant for applicant, called on us today and asked for expeditious action on this case. He did not appear to know about the action taken on NY 410848 as our wire was despatched only yesterday.

In connection with the above-captioned application, the caller was informed that, inasmuch as this transaction had previously been denied, the additional documents submitted would necessarily have to be conclusive evidence of the transaction involved. No indication was given as to what action would be taken.

With regard to NY 410848, Mr. Deutsch stated that, according to documents submitted, all of the merchandise in question is the property of the applicant with the exception of the small lot which was sold to F. & S. Friedman about 4 days prior to the invasion. It was explained that this lot was cleared through the Federation of Belgian Diamond Bourse which was set up at Royan, France. The reason given for applicant not having declared the larger lot was for the fact that it was feared that clearance would not have been given for merchandise of this value.

Mr. Charles van Antwerpen was the president of the Federation of Diamond Clubs in Antwerp, Belgium. Mr. Nebenzahl was a director and its treasurer for several years. We understand that there was no personal relationship between these two persons.

A financial statement of applicant was filed with Form TFR-100 which accompanied NY 405588-BE.

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334013

Carl Deutsch

CERTIFIED PUBLIC ACCOUNTANT

580 FIFTH AVENUE

NEW YORK

LONGACRE 3-5822

22157
FILING AUTHORITY
TO: Mail & Files
ANS.
NO ANS. FILED
INITIAL *James*
DATE *8/1/42*

July 28th, 1942

Mr. J. W. Pehle
Assistant to Secretary of Treasury
Foreign Funds Control
1610 Park Road N. W.
Washington, D. C.

Re: NY 410848-BE
SIGMUND NEBENZAHL

Dear Sir:

On April 28, 1942, Mr. SIGMUND NEBENZAHL, who was a diamond merchant in Antwerp, Belgium for over 36 years, arrived in the United States at Miami, Florida under an immigration visa. He has since declared his intention to become a citizen of the United States.

Upon his arrival, he had with him a parcel of loose cut polished diamonds weighing 363.82 carats valued at \$33,981.55, the balance of his inventory of his diamond business prior to May 10, 1940. This was declared at the U. S. Customs Authorities, entry number 749922. As per his request, it was forwarded to New York, where he has set up his home and has resumed his diamond merchandising business. Prior to the war, his business consisted of shipping merchandise to customers within the United States.

In accordance with the President's Proclamation No. 9389 dated April 10, 1940 as amended, he has filed form TFR-100 showing all his possessions. He has also filed and obtained an operating license number NY 405588-BE.

^{SUGGESTED}
As requested by the Federal Reserve Bank of New York in their letter dated May 14, 1942, he filed an application (number NY 410848-BE) for the removal of his merchandise from the U. S. Customs Custody. On May 26, 1942 and again on June 11, 1942, he has written letters under oath supplementing the original application dated May 16, 1942 for the removal of the merchandise. As far as is known, he has answered every question asked by the Federal Reserve Bank of New York in connection with this merchandise. For unknown reasons both to the applicant and to



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File Nebenzahl, Sigmund
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334014

J. W. Pehle
Foreign Funds Control

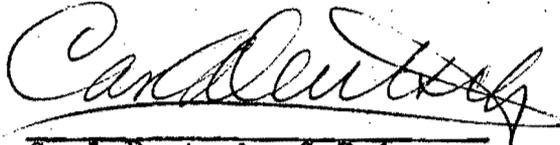
-2-

July 28, 1942

myself, the license has not as yet been issued.

Inasmuch as the withholding of such license is hampering Mr. Sigmund Nebenzahl's business and deprives him of the opportunity to make a livelihood for his family, all of whom reside with him in New York, it is urgently requested that you give this your immediate attention.

Very truly yours,



Carl Deutsch, C.P.A.

CD:RR

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File	Nebenzahl, Sigmund
Box	306 6/13/42

334015

MEMORANDUM FOR THE FILES

October 9, 1942

In a telephone conversation this afternoon with Mr. Hamann of the New York Federal Reserve Bank, I asked whether he knew anything about a supposed attempt by Sigmund Nebenzahl to pay off a debt of Charles Van Anterpen with the Banque Diamantaire Anversoise.

Hamann called back after talking with Mr. Kimball of the Banque Diamantaire. Kimball was of the impression that Nebenzahl would not attempt to pay off anybody's indebtedness unless he had a guaranteed interest in the transaction. He thought that if Nebenzahl wanted to take over Van Anterpen's indebtedness, it was because he either held diamonds that belonged to Van Anterpen (those that are in custody) or that he was attempting to have Van Anterpen's diamonds held in London, released. The diamonds held in Customs if belonging to Van Anterpen were given to Nebenzahl, Kimball thought, to hold for the duration, or sell and hold the proceeds. Although Kimball had nothing good to say about Nebenzahl, he does not know anything about Nebenzahl attempting to pay off Van Anterpen's debt to the bank, and hence his supposition should carry little weight. Hamann knows nothing about Nebenzahl speaking to anyone at the Federal of New York about attempting to settle Van Anterpen's indebtedness.

R. J. Schwartz

R J Schwartz:esm 10/9/42

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Entry 247
File Nebenzahl, Sigmund
Box 306 6/13/42

334016

21891

FILING AUTHORITY
TO: Mail & Files

ANS.

NO ANS. REQ.

BRITISH EMBASSY, *RF*

DATE *8/24/42*

WASHINGTON, D.C.,

SAFE HAND

TF-300

23rd August, 1942.

Attention: Mr. Walter Day

Dear Mr. Pehle,

With reference to Mr. Day's recent inquiry about Sigmund Nebenzahl and to my telephone conversation with Mr. Day this afternoon, our Consulate General in New York report that they have learned confidentially that Nebenzahl has approached the Federal Reserve Bank for permission to liquidate Charles Van Antwerpen's indebtedness to the Banque Diamantaire Anversoise. It is suggested that this is the first step towards the unblocking of a parcel of rough diamonds which the Banque is holding for Antwerpen's account in England. Opinion in the trade suggests that Nebenzahl is not by nature a particularly philanthropic individual, and that he may, therefore, have some interest in securing the unblocking of Van Antwerpen's cash funds or diamonds. It is even suggested that Van Antwerpen, when assisting Belgian refugees to evacuate their diamonds, might ask the refugees to take out a certain proportion of diamonds on his account. It does not seem likely, however, that Nebenzahl can hope to unblock Van Antwerpen's diamonds in London.

Charles Van Antwerpen is described as President of the Federation of Belgian Diamond Dealers, and appears to have a very considerable influence in the control of the diamond trade both in occupied and unoccupied France, and there are strong indications that he is working closely with the Germans.

Yours sincerely,

W. Niteluis

Mr. J. W. Pehle,
Foreign Funds Control,
U. S. Treasury Department,
7th Floor, Washington Building,
Washington, D.C.

*8/3/42 - Discussed with
Herman Mey who says, DBA,
has no knowledge of this
payment*
RF

RG 131
Entry 247
File Nebenzahl, Sigmund
Box 306 6113/203

334017

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE
July 1, 1942.

TO : Mr. Day
FROM : Mr. Schwartz
Re : NY 410848

This is an application for the release of 363.82 carats of polished diamonds, value \$33,981.55 from United States Customs. The applicant is Sigmund Nebenzahl, a refugee diamond dealer from Belgium. Nebenzahl is operating under License No. NY 405588 and he has not filed a TFR-42.

The applicant states that 40.72 carats, value \$1,628.80 of the above 363.82 carats, is the property of F. and S. Friedman, New York City and the applicant requests license to turn said diamonds over to Friedman after release from Customs.

Nebenzahl, in a letter of May 26, 1942, states that he fled from Belgium to unoccupied France after the invasion, and that he took all of his merchandise inventory (which includes the 40.72 carats purchased for Friedman, at their order, but for which he has not yet been paid) and declared only a small part of the total at Royan, France. Upon his arrival in Havana, the applicant states he declared the total inventory and did likewise upon his arrival in the United States.

Nebenzahl was given a statement by a Belgian citizen, Van Anterpen, which permitted him to clear his declared stones and possibly avoid too close scrutiny. Van Anterpen seemed to be on good terms with the Germans and Nebenzahl states that Van Anterpen was part of a committee of refugee Belgian diamond dealers, set up in Royan, France to help Belgians clear their diamonds with the help of the French authorities, who could not administer the normal customs regulations.

A letter from the New York Federal of June 1, 1942 refers to information received from the British Consulate:

"The British stated that in view of the statement given Nebenzahl by a person named Van Anterpen which enabled the former to successfully bring his stones to this country, any other stones should be looked upon

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File Nebenzahl, Sigmund
Box 306 6/15/42

334018

as possibly looted diamonds." Any other stones, here, means any stones other than the 84.07 carats declared by Nebenzahl in France. Note that the statement says possibly looted stones which after all is based on nothing more than diamonds not being declared to European Customs authorities.

New York Federal (Mr. Stoepler) spoke with Albert and Bernard Elkon of a New York City diamond firm of good reputation. These men knew Nebenzahl in Belgium and say he was a man of good reputation. They believe he was never favorably connected with the German Government or policy. They estimated his assets at about \$100,000. In view of this, it does not seem strange for Nebenzahl to have (363.82 carats) \$33,981.55 value diamonds in Customs and to have had, in addition, value \$7,986.65 (previously released under NY 407981).

The above letter from New York Federal of June 1, 1942 ends with the following, "From sources of information at my disposal, it appears that it will be difficult to prove whether these diamonds are looted stones or not. In view of these circumstances, this application is being forwarded without recommendation, for action by your office."

Conclusion - A wire has been prepared approving the release of the diamonds in question from Customs. It is suggested that the wire be cleared with Mr. Fox in the hope that some policy may be determined on cases of this type. It seems that no over-all policy with respect to the release of diamonds should be established. The facts surrounding each case vary, but is the policy approach to be lenient or not? Here is a borderline case in which no evidence of substantial significance is available on either side. I am inclined to release the diamonds as indicated by the prepared wire.

R. J. Schwantz

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File	Nebenzahl, Sigmund
Box	306

6/13/42

334019

FEDERAL RESERVE BANK
OF NEW YORK

FISCAL AGENT OF THE UNITED STATES

June 11, 1942

TO: Mr. Walter M. Day
Business Enterprise Unit
Division of Foreign Funds Control
Treasury Department
Washington, D. C.

FROM: Charles K. Stoeppler
Business Enterprise Section
Foreign Property Control Dept.
Federal Reserve Bank of New York

Subject: Application No. NY 410848 filed by
Sigmund Nebenzahl.

In answer to Item #2 in your Telemeter message dated June 11, 1942, please be advised that License No. NY 407981 authorized the release of the 84.07 Carats.

By way of a supplement to the affidavit submitted by Sigmund Nebenzahl in answer to questions #1 and #3 in your Telemeter message, the following information, received from Nebenzahl in an interview today, is submitted.

A picture of Nebenzahl's connections with Van Antwerpen seems to be as follows:

After the fall of Belgium and before the fall of France, Belgian refugees, including diamond dealers, fled in large numbers to France. Conditions were so upset and the migration so hectic that the French authorities were unable to enforce normal customs regulations, and in the attempt to cooperate with the French authorities, outstanding Belgian diamond dealers organized a committee in Royan before which refugee dealers were invited to appear and register the goods with which they managed to escape. Merchandise so reported to this committee was sealed and a certificate issued by the French Department of Labor and countersigned by the described committee, certifying that the described sealed package of stones was brought into France for the purpose of transmission intact. This certificate was then accepted by French Customs officials as their authority to permit the exportation of the described package.

The committee, it is said, was composed of about one-half dozen men, Nebenzahl naming John Bolle and Numa Torczyner as being members of the committee which was in existence for approx-

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imately three weeks.

As regards the merchandise held by Nebenzahl for the account of F. & S. Friedman, the former states that he has never received any payment for these goods but had received the order and made the purchase for their account shortly prior to the invasion of Belgium.

Attached please find a copy of Nebenzahl's affidavit, a photostat of the certificate signed by Van Antwerpen and a translation thereof.

Enc.

W. J. ...

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Box	<u>306</u> 615121

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SIGMUND NEBERZAHL
325 West 86th St.
New York City

June 11, 1942

Federal Reserve Bank
70 Pine Street
New York, New York

Attention: Mr. C. H. Steeppler

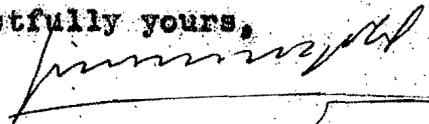
Dear Sir:

Supplementing our conversation of even date, please be advised that I have had no direct business dealings with Mr. Charles VanAntwerpen. My only relationship with him was our connections with the Diamond Club and Federation of Diamond Clubs in Antwerp, Belgium. He was the president of the Federation of Diamond Clubs and I was its treasurer from 1937 to 1940. I was a director of this Federation for over twelve years.

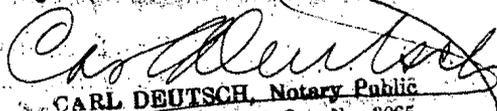
At Royan, France, the only contact I had with Mr. Charles VanAntwerpen was when he, as president of the Federation, countersigned the registration of my merchandise I disclosed, photostatic copy of which I am enclosing herewith. I had no other contact nor did I do any business with Mr. VanAntwerpen. As a matter of fact, since I left Royan, France in June 18, 1940, I have not heard from him or about him until today.

In April 1940, I purchased 40.72 carats of merchandise for the account of P. & S. Friedman as per their instructions. I did not ship it to them immediately because I awaited a remittance on account of the balance they owed me. On May 10, 1940, when I fled Belgium, I took this merchandise with me together with my own inventory. Since they have title to this merchandise, and since I have charged them with the purchase price, I want to turn this parcel over to them in order to be able to collect in full the amount they owe me which is \$11,725.00 as shown on my financial statement in connection with form TFR-100 submitted with my original application.

Respectfully yours,



Signed and sworn to before me
this 11th day of June 1942.



CARL DEUTSCH, Notary Public
Kings Co. Clks. No. 340 Reg. No. 8065
N. Y. Co. Clks. No. 439 Reg. No. 3D303
Commission Expires March 30, 1943

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FEDERAL RESERVE BANK

OF NEW YORK

FISCAL AGENT OF THE UNITED STATES

June 1, 1942

TO: Mr. Walter M. Day
Business Enterprise Unit
Division of Foreign Funds Control
Treasury Department
Washington, D. C.

FROM: Charles K. Stoepler
Business Enterprise Section
Foreign Property Control Dept.
Federal Reserve Bank of New York

Application No.
NY 410848

Applicant
Sigmund Nebenzahl

In addition to the statements made in the application and the supplementary letter of May 26, 1942, the following information is pertinent to the approval or denial of this application:

Because the diamonds described in the application were reportedly concealed by the applicant in the side of a suitcase and taken through Europe after the invasion of parts thereof by the Germans, inquiry was made of the British Consulate regarding the general reputation of the applicant and any special knowledge it might have about his affairs. The Consulate passed on the information that they were aware of a declaration by Nebenzahl of a small package of diamonds but had not heard of any other. This small lot is the 84.07 carats released under License No. NY 405588-BE. The British stated that in view of the statement given Nebenzahl by a person named Van Anterpen which enabled the former to successfully bring his stones to this country, any other stones should be looked upon as possibly looted diamonds.

Concerning Van Anterpen, they offered the following information:

Van Anterpen is a wealthy Belgian citizen who enjoyed an excellent reputation as a business man and was believed to be of high moral character, prior to the invasion of Belgium. He remained behind after the fall of Belgium and has ostensibly been aiding refugees to collect their assets and in some cases, to liquidate the same.

He is apparently, on good terms with the German authorities who have sent him to Paris where he is at the present time. It is known that he has attempted to encourage refugees to come from Unoccupied France back into Occupied France, purportedly to aid in salvation of their property.

He has apparently, been given some authority by the Germans, because

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from time to time, written statements from him are instrumental in securing the release of diamonds and other properties, in the hands of refugees, by German and French authorities which would otherwise be confiscated. An example of this is the statement he gave Sigmund Nebenzahl covering 84.07 carats of diamonds.

In all his activities, he has been aided by a person named Van Elsen, who acts as his assistant.

Outside of the above circumstances, they knew of nothing derogatory to Nebenzahl.

In search for further information concerning this person, I spoke with Albert and Bernard Elkon of the firm, M. Elkon & Company of this city, whose reputation, I find, is good in the diamond trade. They report that they knew Nebenzahl in Antwerp, that his business and private reputation there was good and that he was a man of some means, the extent of which they estimated to be probably no more than \$100,000. They stated that they knew of nothing derogatory to this person and that to their belief, he had never in any way been favorably connected with the German Government or policy.

By way of further reference, Nebenzahl volunteers the firms of Michel Birnbaum & Bros., Lubell & Ray, and Lipschutz & Gutwirth, the first two of which are doing business in New York and concerning who, nothing derogatory is known. The principals of the last named firm are doing business in this city, apparently as individuals and not in partnership. Their reputation is not too savory.

From sources of information at my disposal, it appears that it will be difficult to prove whether these diamonds are looted stones or not. In view of these circumstances, this application is being forwarded without recommendation, for action by your office.

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NO. 12 1941

Dear Sir:

Reference is made to your letter of November 5, 1941.

Enclosed for your information are copies of Executive Order No. 8369 of April 10, 1940, as amended, the Regulations issued thereunder and General License No. 42.

Your attention is directed to General License No. 42, pursuant to which, with certain exceptions stated therein, any individual who is a national of a blocked country is licensed as a generally licensed national if he has been domiciled in and residing only in the United States at all times on and since the appropriate date specified therein. (The appropriate date in regard to Belgium is May 10, 1940, and in regard to Poland is June 17, 1940.)

On the basis of the facts submitted in your letter, the individual to whom you refer is not entitled to the privileges of a generally licensed national under General License No. 42.

Very truly yours,
(Signed J. W. Pehle

J. W. Pehle
Assistant to the Secretary

Mr. Carl Deutsch,
580 Fifth Avenue,
New York, New York.

Enclosures.

HWG:ghm 11/8/41

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Carl Deutsch

CERTIFIED PUBLIC ACCOUNTANT
580 FIFTH AVENUE
NEW YORK
LONGACRE 3-5822

X
FILING AUTHORITY
TO: Mail & Files
ANS.
NO ANS. REQ.
INITIAL
DATE.....

November 5, 1941

Mr. E. H. Foley Jr.
Assistant Secretary of Treasury
Treasury Department
Washington, D. C.

Dear Sir:

Will you please advise me whether General License 42 issued June 14, 1941 applies to an individual who has been a national of Brazil. He was formerly a citizen of Belgium which country he left in November 1939. He arrived in Brazil in December 1939 under an immigration visa. He was domiciled in Brazil and made his permanent home there until January 1941. He arrived in the United States with an immigration visa under the Polish Quota on January 20, 1941.

The effective date of Executive Order # 8785 as amended in respect to Poland is June 14, 1941. He has since declared his intention of becoming a United States citizen. On July 30, 1941 he received his first papers.

Under the above circumstances, does Executive Order # 8389 apply to this individual? If not, does he come under General License 42?

Your reply will be greatly appreciated.

Very truly yours,

Carl Deutsch

CD:RR

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