

PHOTOCOPY  
PRESERVATION

*Mr. [unclear]*  
*[unclear]*

May 15th, 1953

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*Memorandum from* . . . . AMERICAN JEWISH CONGRESS

927 - 15th STREET, N.W., WASHINGTON 5, D. C. • EXECUTIVE 2674  
SANFORD H. BOLZ—Washington Representative

TO: Saul Kagan - JRSC  
FROM: Sandy Bolz  
RE: S. 1748

March 6, 1952

*Section 32*

*3/7*

Further to my memorandum of February 27 on the above I am enclosing herewith copies of the two letters which you requested, that of September 12 to Crosser, and the one to McCarran on S. 1416 containing the ninety million dollar estimate on its cost.

I think it might be a good idea if you had copies of these two letters made for the use of all of us who are interested in the matter, so that our files will be complete. I did not have the facilities to make additional copies.

I shall await further word from you on the meeting with Taft and O'Connor, but with the LMF Bill now out of the way things are likely to move pretty fast toward adjournment and if we are to have any chance at all we must act quickly now.

Best regards.

*Sandy*

SFB:mk  
Enclosures

*Meeting with the Executive*  
*[Signature]*

May 15th, 1953

Seymour J. Rubin, Esq.  
1832 Jefferson Place N.W.  
Washington, D. C.

Dear Sy:

In connection with the heirless property bill, the question has been raised here of the utilization of Abe Hyman's services to assist you. As you know, Abe is now the Executive Director of the World Jewish Congress and as such available to us. I understand that he is very anxious to be of assistance in this matter. I would appreciate it if you would give some thought to this problem and it may be best if we discussed it next time on the phone.

Sincerely yours,

Saul Kagan

SK:AUN

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MEMO FOR THE RECORD

February 4, 1953

Subject: Heirless Property in the U.S.

Mr. Rubin informed me that he made some inquiries with Mr. Arnold of the Treasury Department concerning the possible estimate of the volume of Jewish assets among the blocked satellite assets. Mr. Arnold stated that there would be no basis for making such an estimate short of examining each individual declaration and trying to make a sample of the obviously Jewish names. Apparently, all the statistical material as well as the files are in the office of Alien Property.

It is believed that the total value of the satellite assets blocked in this country is about 35 million dollars, about 20 million of which is estimated to be in governmental assets. At the present time it is not clear whether any future vesting action would go beyond the vesting of all governmental assets.

Our attention was also invited to the fact that between '46-'48 many applications for the unblocking of assets were granted by the Treasury Department, apparently on the same basis as the release of vested assets of persecutees under Public Law 631. This may have appreciatively reduced the volume of Jewish assets.

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The Enemy ...

February 2, 1953

MEMORANDUM

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

From: Saul Kagan

This will confirm that a meeting of the four organizations will take place on Thursday, February 5th at 12:30 P.M. at the office of the Joint Distribution Committee to consider further action on the hairless property problem in the U.S. Lunch will be served.

Saul Kagan

SK:AMH

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HEIRLESS PROPERTY

THE NEW YORK TIMES, SUNDAY, FEBRUARY 1, 1953.

SENATORS ATTACK ALIEN CLAIMS JOB

Inquiry Sees 'Hopeless' Snarl, Favoritism and Loyalty Risks — Further Scrutiny Urged

Special to The New York Times. WASHINGTON, Jan. 31—A Senate Judiciary subcommittee sharply criticized the Office of Alien Property in a report today but offered only one specific suggestion to remedy the conditions it had criticized.

The major complaints of the subcommittee against the policies and procedures of the agency were:

That it was inefficient and dilatory in handling claims to the extent that it would take twenty more years to process those in one category and that the prospect of ever processing the claims in another category was "hopeless" under present procedures.

That the office's accounting methods were such that it was "not familiar with the status of business enterprises under its jurisdiction" and that the efficient and progressive liquidation of alien properties seized by the Government had not taken place.

That it appeared to have retained in its service persons whose names appeared on subversive lists of the Attorney General and the House Un-American Activities Committee.

created by the Democrat-controlled Eighty-second Congress, which made the report today, was Senator Willis Smith, Democrat of North Carolina. The other members were Senators Pat McCarran of Nevada, Warren G. Magnuson of Washington and Herbert R. O'Connor of Maryland, all Democrats, and Senators Wiley, Homer Ferguson of Michigan and Robert C. Hendrickson of New Jersey, Republicans.

Senator O'Connor did not seek re-election in 1952 and is no longer a member of the Senate. In the Republican-controlled Eighty-third Congress, Senators Magnuson and Ferguson are not members of the Judiciary Committee.

62,000 Claims on File

The Office of Alien Property is a unit of the Department of Justice, headed by an Assistant Attorney General. It operates under the Trading With the Enemy Act and controls for the Government all property seized from enemy aliens during World Wars I and II. At present the office has 850 employees and an annual payroll of \$3,253,000.

Approximately 62,000 claims have been filed with the office, according to the subcommittee's report. About 15,000 are what are known as title claims, filed by persons or groups asserting a proprietary interest in property vested with the Alien Property Custodian. About 47,000 are debt claims, involving sums allegedly owned by companies or individuals whose property was taken over.

The monetary value of the claims filed up to June 30, 1952, was \$1,943,814,531, the subcommittee reported.

The average time for processing claim in 1952, according to the investigators, was 46.6 months and the all-time average 31.7 months. Only about 6,000 of the claims in the title division have been processed.

Procedures Are Attacked

"It is a reasonable conclusion that the 9,000 claims left, out of the 15,000 filed, will require approximately twenty additional years to process," the report stated.

The procedure followed in examining the title and debt claims, the report continued, "results in a needless duplication of effort, slows the proceedings beyond the point where efficiency is aided by painstaking thoroughness and renders hopeless under present procedures, the prospect of ever

completing the proper processing of debt claims and extends unreasonably the life of processing of title claims."

Criticism of the agency's liquidation program arose from a study of the operations of its Management and Liquidation Branch. This unit supervises the operation of going business enterprises vested with the Government, handles such matters as the rental or sale of real estate and controls patents, copyrights and trade marks. It owns 20,000,000 feet of foreign motion picture film.

Eighty per cent of the cash realized from the liquidation of such properties is turned over to the War Claims Commission, as provided by the law, and 20 per cent may be used for administrative expenses.

"Efficiency has been lacking and progressive liquidation has not taken place," the subcommittee charged. "Reports, both financial and operational, in regards to business enterprises and liquidation have not been obtained, responsibilities have been delegated to branch offices without attempts to follow up to keep abreast of the liquidation program, and records indicate that this branch [Management and Liquidation] is not familiar with the status of the business enterprises under its jurisdiction."

Fees for Attorneys Cited

The largest of these enterprises is the General Aniline and Film Corporation, a \$120,000,000 concern. It was in connection with the operation of this company that the subject of large attorneys' fees was discussed. The record showed that General Aniline had paid \$3,373,613 in lawyers' fees between 1939 and 1951.

Seven law firms got fees in excess of \$100,000 during these years. The largest fee, \$495,780, went to Breed, Abbott & Morgan of New York. The firm of Langner, Parry, Card & Langner got \$415,271; Wickes, Riddell, Bloomer, Jacobi & McGuire of New York, \$348,086; Hutz & Joslin, \$329,743, and Steptoe & Johnson, a Washington firm, \$254,891.

Louis Johnson, former Secretary of Defense, is a member of Steptoe & Johnson. The record showed, however, that he received no fees while he was holding Government office.

"Exorbitant attorneys' fees and salaries reduce the net value of business enterprises by misuse of assets," the subcommittee ob-

served. It did not, however, charge specifically that any of the legal fees had been exorbitant.

As an example of liberality in the matter of salaries, the subcommittee cited one individual who had been drawing "approximately \$7,000 a year as salary [in a Government position] who was rewarded with \$30,000 per year starting salary by the vested business enterprise."

Between July 1, 1945, and June 30, 1952, the subcommittee said, Alien Property disposed of securities worth \$21,332,397 and paid brokerage fees amounting to \$157,987 to thirty-six firms.

Merrill Lynch, Pierce, Fenner and Beane handled 9.27 per cent of this business and its average commission was .01431 per cent as compared with an average of .00741 to other brokers. In 1952 that firm's percentage went up to an average of .02360 while that of all other brokers declined to .00614.

"Examination disclosed," the subcommittee said, "that the reason for the higher commission paid this firm was that it handled sales of large blocks traded in on the New York Stock Exchange. These sales were made after the exchange closed and actually no commissions were paid, but what is termed concessions were allowed the firm to handle the sales."

No Comment Now by Broker

Victor B. Cook, one of the partners in the firm of Merrill Lynch, Pierce, Fenner and Beane, asserted here yesterday that his concern had been aware of the subcommittee's report but "at this time" had no comment to make on it.

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Germany for 100 years. The painting, which was brought here by the E. & A. Silberman Galleries of New York, was a sketch for the ceiling of the result Church of St. Carlo Borromeo in Antwerp. Rubens received the contract for the church paintings in 1670. It stipulated that the master himself was to execute the sketches or plans, and that his pupils could then, using them as models, paint the actual ceiling. Rubens made thirty-nine oil sketches for the ceiling, which under the terms of the contract the artist retained. The ceiling paintings were destroyed by fire in 1718, and only a few of the original sketches remain to show the magnificence of the project.

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*Memorandum from . . . .* AMERICAN JEWISH CONGRESS

927 - 15th STREET, N.W., WASHINGTON 5, D. C. • EXECUTIVE 2674

SANFORD H. BOLZ—Washington Representative

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*Section 32*

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I shall await further word from you on the meeting with Taft and O'Connor, but with the UMT Bill now out of the way things are likely to move pretty fast toward adjournment and if we are to have any chance at all we must act quickly now.

Best regards.

*Sandy*

SHB:mk  
Enclosures

RECEIVED

Abraham S. Hyman

March 5, 1952

At: Sandy Bols

At: Your note of March 3

September 17, 1951

Thanks so much for sending along the copies of material I asked you for, which I am in turn passing on to Saul Kagan, who originally requested it.

Joy and I send to you and Rena our very best. Be sure to let us know when the happy event takes place.

Best regards,  
Honorable Robert C. Crain  
Foreign Committee  
House of Representatives  
Washington, D. C.

SHB:mk  
cc- *R. Kagan*  
*M. Kagan*  
*A. Kagan*

You have requested the submission of a current report to the Office of Alien Property with respect to the status of the funds administered by that Office under the Trading With the Enemy Act in relation to the amounts which may be made available to the War Claims Fund under present statute, and a statement of the effect of the Japanese Peace Treaty and the termination of the state of war with Germany upon the operations of that Office.

You will recall that on February 20, 1951, Assistant Attorney General Harold I. Baynton, Director of the Office of Alien Property, appeared before your Committee to discuss matters then pending as they affected the operations of the Office, and he furnished to you information as to the status of the vested property as of December 31, 1950.

Since that time, during the first eight months of this calendar year considerable progress has been made in the administration of the Trading With the Enemy Act, as amended. For one thing, the bulk of the vesting action was completed, leaving only a small proportion of vestible property to be processed, mostly that which has been discovered on a current basis.

Second, there has been an increase in the vested property, with a corresponding increase in the estimates of ultimate proceeds of such property to be available for the War Claims Fund. Thus, as of September 1, 1951, the total value of vested property was \$384,000,000, valued as of the date of vesting. That property has appreciated since vesting in the amount of \$75,000,000, and we have received income from it to the amount of \$16,000,000, so that the total gross value of property as of September 1, 1951, was \$505,000,000. You will note that this represents a gain in eight months of \$38,000,000 gross value.

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R E S T R I C T E D

C O P Y

September 12, 1951

Honorable Robert Crosser  
Chairman, Committee on Interstate  
and Foreign Commerce  
House of Representatives  
Washington, D. C.

My dear Mr. Chairman:

You have requested the submission of a current report of the Office of Alien Property with respect to the status of the funds administered by that Office under the Trading With the Enemy Act in relation to the amounts which may be made available to the War Claims Fund under present statute, and a statement of the effect of the Japanese Peace Treaty and the termination of the state of war with Germany upon the operations of that Office.

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Second, there has been an increase in the vested property, with a corresponding increase in the estimates of ultimate proceeds of such property to be available for the War Claims Fund. Thus, as of September 1, 1951, the total value of vested property was \$384,000,000, valued as of the date of vesting. That property has appreciated since vesting in the amount of \$75,000,000, and we have received income from it to the amount of \$46,000,000, so that the total gross value of property as of September 1, 1951, was \$505,000,000. You will note that this represents a gain in eight months of \$38,000,000 gross value.

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With respect to liabilities against this amount, the total value of vested properties paid out is now \$209,400,000. This figure breaks down as follows: \$32,100,000 for administrative and conservatory expenses; \$38,000,000 paid out on claims and suits, including \$1,000,000 transferred to the Treasury under reverse lend-lease arrangements; \$9,100,000 in Philippine assets paid over to the Philippine Alien Property Administrator, which, while it has been re-transferred to this Office for administration, still must be included as a debit figure, since the Philippine Government is entitled to receive the ultimate proceeds from such property. An adjustment of \$10,200,000 must be made for revaluation of assets received as dividends in liquidation of business enterprises. Finally, we have paid \$120,000,000 to the War Claims Fund.

By deducting \$209,400,000 from \$505,000,000, we arrive at a figure of \$295,600,000 as of September 1, 1951, which represents the estimated value of vested property still held under the administration of the Office of Alien Property. Again, you will note that this is a decrease of \$29,400,000 from the figure given you as of December 31, 1950, although that is more than accounted for by the payment into the War Claims Fund since that time of \$60,000,000. Thus, the estimated total proceeds of vested property has increased by \$30,600,000.

The reserves for claims and suits have not been substantially changed. The probable reserve for claims allowance under legislation which has been enacted is carried at \$50,000,000. Reserves are still carried for section 9 suits at \$125,000,000, so that reserves for claims and suits remain at \$175,000,000.

From the net property held, \$295,600,000, the subtraction of the amount of reserves for claims and suits, \$175,000,000, leaves approximately \$120,600,000 over and above the property subject to claims. This represents a decrease in net holdings of approximately \$29,400,000, which is more than accounted for by the recent payments into the War Claims Fund.

You have also requested a statement as to the effect of the Japanese Peace Treaty and the Resolution (H. J. Res. 209) "To terminate the state of war with Germany" on the funds administered by the Office of Alien Property. The coming into effect of either the Japanese Peace Treaty or the resolution for the termination of the war with Germany will not adversely affect the operations of that Office or substantially reduce the funds administered by it.

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The Japanese Peace Treaty makes provision for return of certain diplomatic and consular property and certain property of religious and charitable organizations, and makes provision for release of certain obligations owed to Japanese companies in the United States by Japanese persons, firms, or corporations located in Japan, where the obligations are expressed in yen. Since during the war diplomatic and consular property was under the control of the Department of State by virtue of Executive Order 9760, only a small amount, approximately \$29,000 in value, has ever been vested. Moreover, throughout the war the Office of Alien Property Custodian and the Office of Alien Property followed the policy of not vesting religious and charitable property used only for those purposes. The total gross amount of vested property to be characterized as religious and charitable is approximately \$111,000, although until a final examination of the status and use of that property, it cannot be determined how much of that total would actually be returnable.

With respect to the yen obligations of Japanese nationals and corporations owed to vested Japanese firms in the United States, there would appear to be no need for any present revision of the estimates as to ultimate realization from vested property. Thus, the yen obligations of vested business enterprises payable in Japan have been carried by the Office only at a nominal value because of the anticipated difficulty or impossibility of collection. As nearly as may be determined from the records of the Office, the yen obligations affected by this provision of the Treaty would be in the total amount of \$6,758,000 yen, which, valued at a conversion rate of 360 yen to the dollar, would amount to less than \$20,000.

On the other hand, the Treaty does not invalidate dollar obligations owed by Japanese nationals to the vested business enterprises. Because of the difficulties involved in their collection, these dollar obligations were also carried at a nominal figure. However, collection efforts will now be made and realizations substituted for the nominal figure wherever made. Consequently, while there is available no estimate of the value of the total dollar obligations owed by Japanese nationals in Japan to vested business enterprises, it is likely that the return on this will equal or exceed the amount lost on release of the yen obligations, so that in actual fact the operation of the treaty may mean a slight net gain in vested assets.

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The joint resolution to terminate the war with Germany, of course, makes no provision for return of any German property. Moreover, both the German peace resolution and the Japanese Treaty confirm the authority of the Office of Alien Property to continue to seize that property of Germans and Japanese which under current vesting policy was subject to vesting. As you know, in order to facilitate the resumption of commercial relations between the United States and the former enemy countries, it was determined that no vesting action would be undertaken with respect to enemy property and interests in the United States which arose after December 31, 1946, the date of formal cessation of hostilities. The treaty and the joint resolution each continue authority to seize German and Japanese property in the United States which arose prior to that date.

You have also asked for statements as to the effect of proposed legislation pending before your Committee on the current commitments for use of the ultimate proceeds of vested property under the control of the Office of Alien Property. This Department is currently furnishing your Committee with individual reports on the relevant legislation pending before your Committee. Wherever estimates are available, they are included in the individual reports.

I trust that this provides sufficient information as to the current status of operations under the Trading with the Enemy Act for the present purposes of your Committee.

Yours sincerely,  
Peyton Ford  
Deputy Attorney General

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WAR CLAIMS COMMISSION

Washington 25, D. C.

Honorable Pat McCarran  
Chairman, Committee on  
the Judiciary  
United States Senate  
Washington 25, D. C.

My dear Senator McCarran:

Reference is made to your letter of May 1, 1951, requesting a report on S. 1416, 82nd Congress, "A Bill To amend the War Claims Act of 1948, as amended, to provide compensation for unpaid compulsory labor and inhumane treatment of prisoners of war and for other enemy violations of the Geneva Convention respecting prisoners of war."

The purpose of this bill is to authorize the War Claims Commission to receive, adjudicate according to law, and provide for the payment of any claim filed by any prisoner of war for compensation; (a) for the violation by the enemy government by which he was held, of such government's obligations to him under Title III, section III, of the Geneva Convention of July 27, 1929, relating to labor of prisoners of war, or, (b) for inhumane treatment of him by such enemy government.

The term "prisoner of war" is defined as any regularly appointed, enrolled, enlisted, or inducted member of the military or naval forces of the United States who was held as a prisoner for any period of time subsequent to December 7, 1941, by any government of any nation with which the United States has been at war subsequent to such date, and who on the date of enactment of this act (or on the date of his death if he died prior to such date of enactment) was a citizen, national, or resident of the United States.

The compensation which would be allowed to any prisoner of war would be at the rate of \$1.50 per day for each day he was held as a prisoner on which any violation, or violations, of the character referred to above, occurred with respect to him. The intention of the bill appears to be to provide a maximum compensation of \$1.50 per day, regardless of the number or character of the violations

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Honorable Pat McCarran

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which occurred on that day. Any claim allowed under this bill would be certified to the Secretary of the Treasury for payment out of the War Claims Fund established by section 13 of the War Claims Act of 1948.

The bill further provides that in case of death of the person entitled, the amount allowed shall be payable to or for the benefit of certain specified survivors.

The purpose of the bill would be accomplished by adding a new subsection (d) to section 6 of the War Claims Act of 1948, as amended.

The claims recognized by this proposed legislation are based upon provisions of the Geneva Convention of July 27, 1929, an international agreement relating to the treatment of prisoners of war. The United States was a signatory to this Convention, as were Germany and Japan. While Japan did not ratify the Convention, it agreed to be bound by its terms. This bill includes two categories of the duties and obligations owed to prisoners of war, the violation of either or both of which would be the basis for a claim. The first of these categories relates to the labor of prisoners of war, and is set forth in Title III, section III of the Convention; the second category has to do with inhumane treatment and is set forth in various articles of the Convention, particularly articles 2, 3, 7, 10, 12, 13, 21, 22, 54, 56, and 57.

With regard to the labor of prisoners of war, Title III, section III of the Geneva Convention provides, in brief, that belligerents may utilize the labor of able prisoners of war, but such use is very clearly circumscribed and limited. One such fundamental qualification is that only the labor of physically sound prisoners of war may be utilized, according to their rank and aptitude, officers and persons of equivalent status excepted. That qualification is expressly stated and is reinforced by other provisions in Title III, section III of the Convention. In addition, that section also provides detailed and express requirements as to the actual conditions of work of prisoners of war, such as the length of the day's work, the amount of rest which must be guaranteed,

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Honorable Pat McCarran

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the type of work (work related directly with war operations is specifically forbidden), the application of the detaining power's labor statutes (such as workmen's compensation), and so forth. A second fundamental qualification relative to the labor of prisoners of war is that they shall be paid for their labor. This applies whether such labor is employed either directly by the military or by private employers. The only exception to this is the work connected with the administration, management, or maintenance of the prisoner of war camps themselves. The Convention further provides that the portion of wages not paid to the prisoner during his detention shall be delivered to him at the end of his captivity, and in case of the death of the prisoner, shall be forwarded through diplomatic channels to his heirs.

The War Claims Commission has evidence showing that these labor provisions of the Geneva Convention were flagrantly violated by certain enemy governments. That evidence shows instance after instance of American prisoners of war being forced to work at extremely heavy tasks, often while ill, underfed, in unhealthy and dangerous conditions, and without pay. A mere listing of some of the types of jobs at which these prisoners were required to labor illustrates this point. Thus, it was not uncommon to find prisoners being required to work in logging and lumber camps, in extreme cold and without adequate clothing; in steel mills, on war projects; in coal and copper mines, digging by hand; filling up shell craters, digging trenches; constructing airstrips; and so forth. There seems little doubt that there were many violations with regard to the actual conditions of employment and the requirement that prisoners shall be paid for their labor.

Claims for the compensation provided for by this proposal may also be based upon inhumane treatment of prisoners of war. The bill defines the term "inhumane treatment" to include, but not be limited to, violation by the enemy government, or its agents, of one or more of the provisions of articles 2, 3, 7, 10, 12, 13, 21, 22, 54, 56, or 57 of the Geneva Convention of July 27, 1929. The foregoing articles of the Geneva Convention set forth certain minimum, or basic, standards of justice and decency to be accorded prisoners of war. Some of these articles are general in their nature, while others are more detailed, but all are express and definite in their import.

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Honorable Pat McCarran

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As examples, articles 2, 3, 7 and 10 indicate the tenor of the requirements in this respect. Article 2 provides that prisoners of war shall have the right to be treated humanely and shall be protected against acts of violence, insults, and public curiosity, and measures of reprisal. Article 3 provides, among other things, that prisoners of war shall have the right to have their person and honor respected.

Article 7 requires that prisoners shall be evacuated rapidly from combat zones, shall not needlessly be exposed to danger, and shall not be marched beyond a limited distance on any one day. Article 10 provides certain requirements relative to the sanitary condition of the quarters of prisoners of war. Other articles relate to the furnishing of adequate clothing, and to limitations on disciplinary punishment.

It should here be pointed out that the articles specified in the definition of inhumane treatment do not include article 11, which relates to the quantity and quality of food which must be furnished to prisoners of war. Section 6 of the War Claims Act presently makes provision for compensation for violation of article 11. It further should be pointed out that the compensation provided by this bill is in addition to, and not in lieu of, compensation which is presently available under section 6 of the War Claims Act.

Again, as in the case of the provisions relating to labor of prisoners of war, the War Claims Commission has evidence showing widespread failure on the part of the enemy governments to observe the Geneva Convention requirements relative to humane treatment of prisoners. It appears unnecessary to here go into the detailed account of the nature of the treatment of American prisoners of war by certain enemy governments during World War II. The deliberate deprivation of human necessities, of life itself, practiced by certain enemy governments, has been established beyond any doubt, not only by the testimony of the thousands who suffered at their hands, but also by the wealth of written evidence which has been produced. The frequent maltreatment in many instances resulted in permanent damage to body and mind. Although the Commission recognizes that nothing can erase the scars of these experiences from the minds or

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Honorable Pat McCarran

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bodies of our former prisoners of war, it is considered that this bill will, to some small degree, compensate them for their suffering.

In connection with the above, the treatment of enemy prisoners of war by the United States Government during World War II stands in marked contrast. This Government scrupulously observed the letter and spirit of the requirements of the Geneva Convention. Prisoners were treated humanely and were not forced to work. Of particular relevance here, is the fact that, in the case of those who voluntarily chose to work, full payment for their labor was provided for by this Government, and in other respects the United States Government carried out its obligations under the Geneva Convention. Thus, on December 5, 1947, the United States entered into a bilateral agreement with Germany wherein the United States transferred to Germany the sum of \$140,000,000, out of which Germany was to make payment to the German prisoners of war held by us. On January 14, 1949, \$22,000,000 was transferred to the Italian Government under a similar agreement.

It should be noted that the funds referred to above, for the purpose of carrying out our obligations to enemy prisoners of war under the Geneva Convention, came from appropriations, whereas the claims recognized by S. 1416, for the benefit of our own prisoners of war, are to be paid from the War Claims Fund. That Fund consists of sums covered into the Treasury pursuant to the provisions of Section 39 of the Trading with the Enemy Act of October 6, 1917--in brief, certain liquidated enemy assets.

It is estimated that 141,000 former prisoners of war and survivors would be eligible for benefits under the provisions of S. 1416, if enacted. Assuming that \$1.50 per day would be the maximum amount payable, it is estimated that the bill would cost approximately \$90,000,000. As has been stated, these claims would be paid from the War Claims Fund, established by section 13 of the War Claims Act, and not from direct appropriations.

For the foregoing reasons, the War Claims Commission recommends favorable consideration of S. 1416 by your Committee.

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