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MAN OFFICE

JRSO

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

215 Park Avenue South
New York, N.Y. 10003

November 13, 1970

From Ernest H. Weismann

Please find enclosed the Minutes of the Annual Meeting of the JRSO
and of its Board of Directors, both held on June 22, 1970, in New
York.

enc.

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JEWISH RESTITUTION SUCCESSOR ORGANIZATION

SUMMARY OF PROCEEDINGS

ANNUAL MEETING OF THE CORPORATION, JUNE 22, 1970
NEW YORK CITY, N.Y.

Mr. Maurice M. Boukstein opened the Membership Meeting at 4 P.M.

He stated that JRSO has the nominations for directors and asked Mr. Kagan to read the list. The persons nominated were elected as Directors of the Corporation with the proviso that vacancies would be filled by organizations entitled to nominations.

Mr. Kagan referred to the material distributed. He wanted to touch only on a few major points. He pointed out that by December 31, 1969, the JRSO had distributed DM 187 million, which, at the present rate of conversion, was approximately 45-46 million dollars. All of the funds, except for particular amounts, which were still open, had been distributed, as will be seen from the schedule of JRSO allocations on page 3 of the Report. Mr. Kagan referred to the basis for distributions established years ago: the Jewish Agency obtaining 56.95%, the JDC 28.05%, the Council of Jews 11%, and 4% for Religious Projects in Israel. This did not affect the funds which were distributed in the U.S., pursuant to U.S. Heirless Property Legislation.

Mr. Kagan mentioned that JRSO still continues to recover funds. Dr. Katzenbach who heads the operation in Germany, will report on pending matters. Very recently JRSO was able to distribute DM 1,500,000 within the formula. Small amounts for Religious Projects in Israel, such as DM 60,000 out of the allocation of DM 1,500,000 are being accumulated. Until a significant amount becomes available, allocations would be meaningless.

Dr. Lewin mentioned that at the last meeting an allocation of IL 5,000 for Metzach was postponed. Mr. Kagan said that JRSO should only deal with it when all the other applications for religious projects came in. He continued to say that the operations of the JRSO are now confined to the Berlin office, where we were also acting on behalf of the French and British successor organizations in connection with certain categories of claims. These two organizations reimbursed us for their share in the operations. JRSO is now left with complicated categories of claims where financial recoveries could still be expected, Mr. Kagan said.

Mr. Boukstein stated that a great historic service has been rendered by the JRSO in the 22 years of its existence. In the early years of its operations in Germany, the JRSO was fortunate in obtaining the support and understanding of the U.S. Government, especially General Lucius D. Clay and High Commissioner John J. McCloy.

The JRSO was also successful in establishing a good organization in Germany to carry out its objectives.

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Dr. Katzenstein presented the main issues and pointed out that at this late stage they were very technical and complicated and were, therefore, taking considerable time. He mentioned first the complex of Altsparerentschaedigung, and said that one had to distinguish between certain securities, of which the former owner was dispossessed on January 1, 1940, or thereafter. Securities, particularly mortgage bonds and so-called Schuldverschreibungen, of which the owners were dispossessed prior to 1940, carried the right to an additional payment of 10%. Dr. Katzenstein reminded the membership that the conversion rate of Reichsmark was 10 to 1. An additional four per cent interest from January 1, 1953 up to December 31, 1970, would add up to 72%. Securities of these categories which were issued after December 31, 1939, were subdivided into three categories:

- 1) B-Securities which were exchanged against other securities concerning which the legislator established a presumption that they were due for Altsparerentschaedigung.
- 2) C-Securities, where the presumption was established only as to a part.
- 3) D-Securities, concerning which there was no presumption.

What complicated matters considerably and involved JRSO in detailed investigation, were the decisions of the Bundesverwaltungsgericht, which had held that also blocked accounts of emigrants and banking accounts constituting the proceeds of forced sales of real estate were entitled to Altsparerentschaedigung.

JRSO had to go to the old banks, police records and the Oberfinanzdirektion, particularly concerning the deportation cards and had to negotiate with three different authorities, the Bundesschuldenverwaltung, the Bundesausgleichsamt and the authorities in Berlin itself.

Dr. Lewin asked how much was involved.

Dr. Katzenstein replied that according to JRSO's estimate the whole complex would be worth DM 1.2 million, of which more than DM 500,000 was only the interest. The capital amount was over DM 700,000.

Another problem, also complicated, particularly from a legal point of view, although the volume was not so considerable, was the so-called Altbankenkomplex. Reichsmark securities which were issued by banks, whose assets were transported from the eastern part of Germany into the western part of Germany were being converted into DM only to the percentage of the value of the western holdings. JRSO was contending that under the London Debt Agreement a 100% conversion rate was due to us. A test case was now before the court. It involved DM 70 million.

Dr. Katzenstein pointed to another substantial item which concerned 600 shares of Consolidated Diamond Mines of S.W. Africa Ltd. They were registered in the name of that company with the Swiss Credit Bank, Zurich, Switzerland. JRSO's right to claim shares as owners was recognized by the German courts, but the South African Custodian of Enemy Property refused to let JRSO have these shares. We had been in correspondence with Q.C. Lowen, who passed away, and were now trying to interest the South African Board of Deputies in this case. The value of the shares came to more than DM 900,000. JRSO also had restitution claims to two pieces of real estate valued at DM 600,000.

Dr. Silberman inquired about the full amount anticipated.

Dr. Katzenstein replied that the approximate amount was DM 3 million.

Mr. Boukstein stated that one claim was DM 1.2 million, the others DM 70,000, 900,000 and 600,000. Mr. Boukstein asked with respect to the 70,000, whether it would be worthwhile to collect this item.

Dr. Katzenstein replied in the affirmative, as JRSO had already paid the lawyer's fees.

Mr. Boukstein inquired about the time prognosis for the 1.2 million.

Dr. Katzenstein said another year.

Mr. Boukstein felt it would still be worthwhile to pursue the collection of these items.

The Membership expressed its gratitude to Dr. Katzenstein.

A motion was made and seconded to adopt a Resolution ratifying all the actions taken since the last Meeting, as follows:

"Resolved: That all actions taken, things done, undertakings and commitments given and the disbursement of funds made by the directors, officers and employees and agents of the Corporation on its behalf during the period extending from the date of the last preceding annual meeting of the Corporation to and including this date, be and the same hereby are approved, ratified and confirmed."

A motion was made and seconded to adjourn the Membership Meeting.

The Meeting was adjourned at 5 P.M.

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JEWISH RESTITUTION SUCCESSOR ORGANIZATION

SUMMARY OF PROCEEDINGS

BOARD OF DIRECTORS MEETING, JUNE 22, 1970
NEW YORK CITY, N.Y.

Mr. Monroe Goldwater was in the chair and opened the Meeting of the Board of Directors at 5:00 P.M. He called on Dr. Silberman to read the slate of officers.

Dr. Silberman moved that the following officers be elected:

President	Mr. Monroe Goldwater
Vice Presidents	Mr. Jacob Blaustein Dr. Isaac Lewin Mr. Hermann Simon Dr. Joseph J. Schwartz
Chairman - Executive Committee	Mr. Maurice M. Boukstein
Co-Treasurer	Mr. Shad Polier
Secretary	Mr. Saul Kagan

The slate was unanimously elected.

The chairman called on Mr. Kagan, who pointed out that the Council of Jews from Germany has presented the specific programs and projects to be covered from the 11% of funds which the JRSO had reserved for such projects. Dr. Silberman submitted the proposals, aggregating DM 311,102, viz:

For the Leo Baeck Institute in London	DM 40,500
For the Leo Baeck Institute in Jerusalem	72,000
For the Leo Baeck Institute in New York	112,500

and as far as the social needs of the American Federation of Jews from Central Europe are concerned, DM 86,102 for United Help, Inc.

With regard to the request for social needs, he referred to the letter of June 16 to Mr. Weismann, wherein was stated that the United Help was the social arm of the Federation and as such, responsible for welfare programs like social service for, and financial support of, Nazi victims in the Washington Heights and other areas of New York, and financial support for nursing homes, including a home in Jamaica.

Dr. Silberman also referred to the request submitted by Dr. Tramer for the 1970 projects of the Leo Baeck Institute, Jerusalem, and to the letter from Dr. Rosenstock concerning the 1970 projects of the Leo Baeck Institute, London, and finally to a letter from the Leo Baeck Institute, New York, concerning their publications.

Dr. Lewin inquired in what way these publications were different from the Year Book published by the Leo Baeck Institute?

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Dr. Silberman answered that they were separate and independent studies.

Mr. Boukstein asked for an explanation concerning the social services of United Help in the Washington Heights area and the amount involved.

Dr. Herz pointed out, in behalf of United Help, that Washington Heights was an area where a large number of lonely, elderly Nazi victims were living. Programs for older Nazi victims were developed in cooperation with the Washington Heights and Inwood YMCA.

He also referred to the financial statement for the calendar year of 1969 submitted to the JRSO concerning the costs and the description of the services provided.

Mr. Boukstein asked about the financing of the Nursing Home in Jamaica.

Dr. Herz replied that it was sponsored by a group associated with United Help. It had been built in Jamaica largely with funds from the State of New York. It was a nursing home for 120 individuals and will be ready for occupancy in a week or so. Dr. Herz stated that it was one of the few non-profit nursing homes in New York City. Medical services would be under the supervision of the Long Island Jewish Hospital and a transfer agreement had been signed by the Long Island Jewish Hospital. In reply to Dr. Lewin's question, Dr. Herz stated that Kosher food would be provided.

Mr. Kagan referred to the heirless property fund in the United States, out of which JRSO had allocated \$100,000 for a scholarship fund so as to enable United Help to expand its scholarship program. This program was named in memory of the late Nehemia Robinson. It had provided grants, or loans, to 305 beneficiaries. Mr. Kagan felt that this had been one of the most rewarding programs. By now the beneficiaries of the scholarship program were beginning to repay some of the loans.

Mr. Kagan explained that interest in an aggregate amount of \$50,000 had been accumulated on unpaid allocations coming out from the Heirless Property Fund. He suggested to the Board that JRSO make another allocation of \$50,000 to enable the Nehemia Robinson Scholarship Fund to continue. This would not affect any of the funds arising from JRSO's work in Germany.

Dr. Lewin wished to know who were entitled to these scholarships.

Mr. Boukstein explained that the funds were reserved for children of Nazi victims who came from every part of Europe under Nazi control. He said that he received the applications and found them intelligently prepared and investigated.

Mr. Boukstein urged that \$50,000 be added to this fund, especially in memory of Nehemia Robinson, who had done such tremendous work for this organization.

A motion was adopted that \$50,000, representing cumulative interest, be allocated in the way described and for the purpose mentioned.

Mr. Kagan advised the Board that the second Kissena Blvd. Housing Project is ready. He thought that the second one was superior in quality. From the experience of the first Housing Project, operational problems had been corrected.

Dr. Herz invited the directors to inspect the new building. There are 288 apartments. The first housing project had 134 apartments. 72 were one-bedroom apartments for couples, and 216 were efficiencies, rated at \$110-126 per month, including gas and electricity. Air conditioning was provided at \$3.50 per month per unit. The one-bedroom apartments rent for \$156-172 per month.

Mr. Kagan recommended that the officers elected at this Meeting should be simultaneously members of the Executive Committee. This recommendation was approved.

With respect to the banking resolution, it was pointed out that three of the four JRSO signatories were no longer available. It was suggested that in addition to Mr. Gottlieb Hammer, one of the original signatories, Mr. Boukstein, Mr. Goldwater, Mr. Polier and Mr. Kagan should become additional signatories, on the understanding that two out of five would be needed to disburse funds.

The Motion was seconded and adopted.

Mr. Kagan further referred to the report prepared by Mr. Weismann, who was keeping current tabs on the activities of the JRSO in New York and Germany, and also to the annual audit of the JRSO in New York and Germany carried out by Loeb & Thayer, CPAs. The audit reports are available for perusal at the JRSO office. Mr. Weismann is prepared to answer any questions.

Dr. Lewin expressed appreciation of the Board for the services rendered by Dr. Kohnstein, Dr. Tuch and their colleagues in Germany, and by Mr. Kagan and Mr. Weismann in New York.

The Meeting was adjourned at 5:45 P.M.

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A. J. Committee Papers

(RAD 41-46)

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CLINTON LIBRARY PHOTOCOPY

Dr. W. Filderman
c/o Gardotex
11 Rue de Mogador
Paris (9)
Télépf. TRI 27/46

Paris le 13 Octobre 1949

Restitution - Annual

Très urgent

American Jewish Committee
30 Rue de la Boetie
Paris

Cher Monsieur Isenberg,

Vous vous rappelez notre dernière discussion lorsque j'ai attiré votre attention que le "Final Act of the Paris Conference" of Reparation" du 9 Novembre - 21 Décembre 1945, que vous avez mis à ma disposition n'était pas l'acte sur lequel se fondait l'Administration of Enemy Property de la Grande Bretagne mais un acte de 1947.-

J'ai enfin réussi de l'obtenir.- C'est sur la Decision de l'Agence Interalliée sur les reparations approuvée par l'Assemblée le 21 Novembre 1947, qu'étaient fondées les conditions de l'Administration of Enemy Property de la Grande Bretagne.-

En effet dans cette Decision, le chapitre III, art. 6 point F établit les conditions pour la restitution des biens bloqués, appartenant à des individus de nationalité allemande qui sont exactement les mêmes 5 conditions exigées par l'Administration of Enemy Property de la Grande Bretagne pour le déblocage des biens appartenant à tous les exennemis.-

En voici le texte :

- " F. Assets of any individual of German nationality :
- (1) who was deprived of liberty pursuant to any German law, decree or regulation discriminating against religious or racial groups or other organisations, and
 - (2) who did not enjoy full rights of German citizenship at any time between 1 September 1939 and the abrogation of such law, decree or regulation, and
 - (3) who has left Germany (or if he has not left Germany at the final accounting under the Paris Agreement, it is proved that he intends to leave Germany within a reasonable time thereafter) to establish his permanent residence outside Germany, and
 - (4) who it is provided did not act against the Allied cause during the war, and
 - (5) whose case merits favourable consideration "

Le problème ne change pas beaucoup d'aspect car tout se réduit à la définition de la "deprived of liberty"

Etudiant la composition de l'Agence, j'ai constaté que font partie de l'Agence les Etats - qui avaient pris part à l'accord de 1945 - mais que le Président de l'Agence est le délégué du gouvernement français et que le secrétaire général et les deux secrétaires généraux adjoints sont nommés par les Etats Unis, la Grande Bretagne et la France.-

2. A.J.C.

Je pense donc qu'il est urgent d'intervenir auprès du secrétaire général américain de l'Agence et des Autorités compétentes de la zone américaine pour établir la définition de la "deprived of liberty"

Est-ce que l'Agence et le Gouvernement Américain de la zone américaine donnent aux mots "deprived of liberty" la définition que donne la loi américaine, la Magna Charta anglaise et tous les traités de droit constitutionnel, savoir que la perte du droit, ~~droit~~ de propriété, ou tout autre droit, constitue la perte de la liberté - ou la définition de l'Administration of Enemy Property de la Grande Bretagne, selon laquelle par "deprived of liberty" on ne comprendrait que "l'arrestation ou l'internement dans un camp c.à.d. la perte partielle de la liberté physique."

Comme il est probable - si non même sûr - qu'il doit y avoir eu déjà de cas, il faut recevoir de l'Agence ou du gouvernement américaine de la Zone américaine, une réponse claire.-

Peut être pourriez vous aussi apprendre discrètement, comment on applique dans la zone anglaise et française les mots "deprived of liberty". La question est urgente.- Très urgente même.-

Je vous remercie d'avance et je vous prie de recevoir l'assurance de mes meilleurs sentiments


(Dr. W. Filderman)

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N O T E

6/29/49

présentée par l'A.D.I.V.A.

relativement à la situation législative actuelle
concernant les spoliations commises en Allemagne
sous le régime national-socialiste.

Les spoliations commises en Allemagne sous le régime national-socialiste ont frappé des catégories entières de la population allemande comprenant des centaines de milliers de victimes dont la grande majorité réside actuellement à l'étranger. La valeur totale des biens spoliés est immense. Les conséquences de ces spoliations ont été terribles et souvent tragiques pour leurs victimes dont très souvent l'existence économique et sociale a été ruinée. La réparation de tous ces préjudices est une question d'une importance internationale. Il s'agit en effet d'une violation monstrueuse des principes les plus élémentaires de la justice. La réparation du mal qui a été commis par ces spoliations est indispensable, si l'on veut rétablir le respect de la justice et des droits de l'homme dans le monde entier et tout particulièrement en Allemagne, où il serait d'une importance capitale de rebâtir les fondements d'un esprit démocrate et humanitaire.

Ce problème doit donc intéresser au plus haut degré la France, voisine de l'Allemagne et défenderesse traditionnelle des droits de l'homme à laquelle incombe dans la zone française d'occupation et en Sarre la responsabilité d'une solution juste et équitable de toutes les questions concernant ces spoliations. Responsabilité morale et juridique officiellement confirmée par la déclaration de Londres du 5 Janvier 1943 et tout récemment par la charte des Droits de l'Homme.

Il y a lieu de rappeler que ce problème présente même un intérêt matériel assez important pour la France et les autres Nations Unies, en raison du fait que la grande majorité des personnes ayant des biens à récupérer en Allemagne sont actuellement des habitants et, dans la plupart des cas, même des ressortissants de la France ou des autres Nations Unies.

Malheureusement la situation législative existante en zone française et en Sarre relativement à la restitution des biens spoliés et à l'indemnisation des victimes de ces spoliations en général est très inquiétante et risque d'être aggravée encore par une interprétation abusive de la part des Tribunaux compétents en la matière.

Dans des exposés antérieurs nous avons traités les nombreux problèmes fort complexes dont une solution équitable nous paraît nécessaire et urgente pour éviter des injustices irréparables.

Nous nous bornons ci-après à signaler un de ces problèmes qui nous paraît actuellement le plus important et le plus urgent, à savoir le problème du "Fonds commun".

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Aux termes de l'Ordonnance N° 120 en date du 10 Novembre 1947 relative à la restitution des biens ayant fait l'objet d'actes de spoliations (et valable en zone française et en Sarre), modifiée par les Ordonnances N° 156 et 186, l'acquéreur de biens spoliés est obligé de restituer non seulement ces biens mêmes, mais aussi leurs fruits. Mais la plus grande partie de ces fruits n'est pas restituée au spolié même mais affectée à un fonds commun. Ce fonds reçoit également les biens dont les propriétaires auront disparu sans laisser d'héritiers.

Il sera donc alimenté par des biens qui appartiennent aux spoliés ou à leurs ayants-droit et par les biens des personnes exterminées, biens dont le nombre et la valeur sont extrêmement importants et cela d'autant plus que les Ordonnances modificatives N°156 et 186 ont restreint la successibilité par dérogation au droit commun allemand.

Suivant l'art. 6 de l'Ord. N°120, ce fonds commun est affecté aux pays de la zone française pour servir à l'indemnisation des victimes du nazisme. Cette réglementation nous paraît inacceptable pour les raisons suivantes :

1.) Il nous paraît extrêmement injuste de mettre à la disposition des pays allemands des biens provenant du patrimoine des spoliés, pour servir à la réparation des dommages dont la communauté allemande est responsable.

Une indemnisation des spoliés qui est effectuée avec leurs propres moyens n'est pas une indemnisation. C'est une deuxième spoliation des spoliés.

Le Reich allemand ne s'est pas gêné d'imposer aux juifs une contribution spéciale énorme en 1938/39. On peut bien exiger maintenant des pays allemands de trouver des moyens permettant une indemnisation générale équitable des victimes des spoliations.

2.) Les biens en déshérence à attribuer au fonds commun proviennent presque exclusivement du patrimoine de personnes physiques ou morales juives puisque seulement parmi les juifs des familles entières ont été exterminées.

Or, d'après la législation actuellement en vigueur en zone française et en Sarre, ces biens seront utilisés pour l'indemnisation de toutes les victimes du national-socialisme sans aucune distinction.

Il nous paraît inadmissible que ces biens qui sont presque exclusivement des biens juifs soient partagés entre les victimes juives et non-juives.

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Il y a en effet une différence essentielle entre la situation des juifs d'une part et celle des autres catégories des victimes du national-socialisme d'autre part. Parmi ces dernières il y a eu seulement des persécutions individuelles contre les personnes qui ont opposées une résistance active au régime national-socialiste.

Leurs familles n'ont pas été exterminées ni spoliées, elles sont restées en Allemagne. Ces victimes ont donc généralement laissé des héritiers de leurs biens qui ont pu faire valoir également leurs droits individuels à la restitution des biens dont leurs auteurs ont été spoliés et à des dommages-intérêts. Les organisations non-juives dissoutes sous le régime national-socialiste telles les syndicats ouvriers, les organisations catholiques etc. ont pu se reformer et demander également la restitution de leurs biens et des dommages-intérêts.

Par contre les juifs ont été persécutés en tant que groupe. Plus de six millions de juifs ont trouvé la mort en Europe dans des conditions atroces par suite du national-socialisme. Sur les 600.000 juifs résidant en Allemagne avant la prise du pouvoir par Hitler, il n'y a plus qu'un nombre infime de personnes résidant actuellement encore en Allemagne. Dans de très nombreux cas des familles entières ont été exterminées de sorte qu'une très grande partie de leurs biens sont des biens en déshérence et que faute de demandeurs des revendications individuelles ne peuvent plus être formulées en leurs noms. D'autre part, parmi les juifs qui ont pu sauver leur vie il y a un très grand nombre d'infirmités, de malades, de personnes âgées et généralement de tous ceux qui après leur émigration n'ont pas réussi à se créer une nouvelle existence et qui ont dû être assistés depuis de longues années par des organisations juives sociales.

Pour toutes ces raisons il nous semble inadmissible que les biens provenant du patrimoine de personnes physiques ou morales juives soient employés à l'indemnisation, de la totalité des victimes du nazisme au lieu d'être utilisés au bénéfice des victimes juives survivantes seules. A ce sujet il y a lieu de rappeler que les moyens prévus pour l'indemnisation paraissent être loin de suffire à l'indemnisation de la totalité des spoliés et cela d'autant plus qu'à présent un très grand nombre de personnes résidant en Allemagne se déclarent comme "victimes du national-socialisme" bien que leurs titres soient très souvent fort douteux. D'autre part, tenant compte de l'ordre de priorité prévu par la législation pour la réparation des dommages, il faut craindre que la plus grande partie de moyens disponibles ne soit allouée précisément aux soi-disant victimes du national-socialisme résidant en Allemagne, au détriment des juifs résidant à l'étranger et constituant sans doute la grande majorité des victimes le plus cruellement éprouvées.

Ce résultat serait strictement contraire non seulement à la justice et à l'équité, mais aussi aux principes généraux qui ont été établis par l'Accord des Cinq Puissances sur les réparations en date du 14 Juin 1946 et qui ont été tout particulièrement préconisés par la France même dans l'Article E de cet accord que nous permettons de résumer ci-après :

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"La France s'adresse à tous les Etats neutres au nom des Cinq Puissances pour rendre disponibles tous les biens des victimes du nazisme décédées sans laisser d'héritiers. Les autres Quatre Puissances se rallient à cet appel. La conclusion suivant laquelle 95% des "biens en déshérence" ainsi disponibles devront être utilisés

pour le rétablissement de victimes juives correspond au fait que ces biens sont pour une part essentielle de provenance juive et que les 5% prévus pour les victimes non-juives correspondent à une estimation très large du pourcentage des biens non-juifs. Les biens en déshérence à utiliser au bénéfice des victimes juives, devront être mis à la disposition d'organisations compétentes".

Il serait difficile à comprendre que ces principes préconisés par la France même à l'égard des Etats neutres ne devraient pas être appliqués dans les territoires allemands se trouvant sous le contrôle français (zone française d'occupation et Sarre).

Nous proposons donc que les biens à affecter au "fonds commun", dans la mesure où il s'agit de biens juifs, seront attribués à un organisme successeur juif qui sera également habilité à faire valoir les droits à la restitution de tous les biens juifs en déshérence ou non réclamés par le propriétaire (en application analogue de l'art.14 al.2 de l'Ord. N°120), ces biens devant être employés à l'assistance à des victimes juives du national-socialisme, sous le contrôle des autorités françaises.

Nous nous permettons d'observer à ce sujet que cette solution qui seule nous paraît équitable, a déjà été réalisée en zone américaine par la création d'un organisme successeur juif qui a déposé plus de 100.000 demandes de restitution en zone américaine d'occupation.

Paris, le 29 Juin 1949

Association pour la Défense des Intérêts
des Victimes de l'Axé

18, rue Etienne Marcel, Paris 2°

DEPARTMENT OF STATE

April 13, 1949

C
O
P
Y

In reply refer to L/E

Bennet, House & Coutts,
Counselors at Law,
44 Wall Street,
New York 5, New York.

Sirs:

You have brought to the attention of the Department Civil Action No. 31-555 now pending in the United States District Court for the Southern District of New York between Arnold Bernstein, plaintiff, and N. V. Nederlandsche-Amerikaansche Stoomvaart-Maatschappij, also known as Holland-America Line, defendant, and Chemical Bank & Trust Company, third-party defendant, which involves certain matters treated in the case of Bernstein v. Van Heyghen Freres Societe Anonyme, 163 F. 2d 246 (C.S.A. 2d 1947), cert. den. 332 U.S. 772 (1947).

You have pointed out that the Circuit Court of Appeals in the Van Heyghen case stated:

"... a court of the forum will not undertake to pass upon the validity under the municipal law of another state of the acts of officials of that state, purporting to act as such." (page 250)

"... no court will exercise its jurisdiction to adjudicate the validity of the official acts of another state." (pages 249-250)

The court held that the Executive had not "acted to relieve its courts of restraint upon the exercise of their jurisdiction" (page 250) or had not "indicated any positive intent to relax the doctrine that our courts shall not entertain actions of the kind at bar." (page 251) It was therefore concluded that in the circumstances the court was without power to inquire into the acts of spoliation alleged to have been perpetrated on Bernstein in Germany in 1937-1938 in which Nazi officials of Germany were claimed to have been participants.

You have inquired whether the Department might care to express its view concerning the Executive policy of this Government with respect to the exercise by courts of this country of jurisdiction in such cases. The Department considers the matter an important one and is pleased to express its views as follows:

1. This Government has consistently opposed the forcible acts of dispossession of a discriminatory and confiscatory nature practiced by the Germans on the countries or peoples subject to their controls. In this connection reference is made to the following:

- a. Inter-Allied Declaration against Acts of Dispossession of January 5, 1943, United States Economic Policy toward Germany (Dep't State Pub. 2630) 52;
- b. Gold Declaration of February 22, 1944, 9 Fed. Reg. 2096 (1944);
- c. The Potsdam Agreement of August 2, 1945, 13 Dep't State Bull. 153 (1945);

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- d. Directive to the Commander-in-Chief of the United States Forces of Occupation Regarding the Military Government of Germany, April 1945, JCS 1067, paragraphs 4(d), 48(e)(2), 13 Dep't State Bull. 596 (1945);
- e. Directive to Commander-in-Chief of United States Forces of Occupation Regarding the Military Government of Germany, July 11, 1947, paragraph 17d. 17 Dep't State Bull. 186 (1947);
- f. Law No. 1 of the Allied Control Council (Off. Gaz. of the Control Council for Germany. No. 1, Oct. 29, 1945);
- g. Military Government Law No. 1 (Mil. Gov. Gaz. - U. S. Zone June 1, 1946);
- h. Military Government Law No. 52, secs. 1(f), 2 (Mil. Gov. Gaz. - U. S. Zone June 1, 1946);
- i. Military Government Law No. 59 on Restitution of Identifiable Property (Mil. Gov. Gaz. - U. S. Zone Nov. 10, 1947).

2. Of special importance is Military Government Law No. 59 which shows this Government's policy of undoing forced transfers and restituting identifiable property to persons wrongfully deprived of such property within the period from January 30, 1933 to May 8, 1945 for reasons of race, religion, nationality, ideology or political opposition to National Socialism. Article 1(1). It should be noted that this policy applies generally despite the existence of purchasers in good faith. Article 1(2).

3. The policy of the Executive, with respect to claims asserted in the United States for the restitution of identifiable property (or compensation in lieu thereof) lost through force, coercion, or duress as a result of Nazi persecution in Germany, is to relieve American courts from any restraint upon the exercise of their jurisdiction to pass upon the validity of the acts of Nazi officials.

Copies of this letter are being transmitted to Judge Sylvester J. Ryan and to the attorneys for the other parties to the litigation.

Very truly yours,

/s/ Jack B. Tate
Acting Legal Adviser

337069

TO: Foreign Affairs Department

DATE: December 13, 1948

FROM: Max Isenbergh

SUBJECT: Statement by the
President on Restitution

I assume that with the opening of the new Congressional session, the Committee will resume its pressure for the passage of S2764, the bill to authorize designation of a successor in interest to take heirless property formerly owned by victims of racial, religious or political persecution. My experience thus far has dramatically confirmed to me that the passage of this bill will have the greatest influence in aiding a program of restitution on the Continent. It would also be of the greatest value if you could so engineer things that the President's signing of the bill would be an occasion for his issuing a statement on the problem of restitution. The statement, if you can manage it, should contain the following:

1. Since August, 1946, the United States has had legislation authorizing the return of vested property of enemy nationals if such enemy nationals were victims of racial, religious or political persecution and are either alive or have surviving heirs.

2. The United States feels it is morally indefensible to retain the property of such persons who in the most realistic sense were the greatest enemies of our enemies.

3. By S2764 the United States is merely giving logical extension to the principle of non-retention of property of victims of enemy persecution. Retention of heirless property which originated with such victims for the reason that there is no legal successor in interest, would be an ironical refusal to recognize the group identity of the surviving fellow victims. These groups were treated en masse by the enemy for the purpose of levying fines, making labor demands and the imposition of other atrocities. To disregard their group identity for the purpose of retention of the property of their heirless fellows would be an inexcusable act of public immorality.

4. The principle of returning heirless property to a successor organization is already in effect in the United States zone of Germany.

5. Other countries of the world who have not yet passed like measures should be exhorted to follow suit.

cc - Seymour J. Rubin

337070

Restitution - General

MEMORANDUM TO THE FILES

Subject: Restitution and Related Matters

Date: November 17, 1948

The long interruption for preparing my report on Egypt being over, I have taken the occasion to review the field of restitution. The general outlines of the program I tentatively set for the immediate future follow:

1. Holland. When I was in Holland in August, I learned that in spite of an attitude of sympathy by the Dutch Government, no provision had been made for the return of any property in Holland to victims of Nazi persecution in Germany, and that no provision had been made with respect to heirless property taken either during the occupation or after the liberation as property of German nationals. The objections stated to legislation for these purposes were (1) a fear that any singling out of Jews to be beneficiaries of a restitution program would incite anti-Semitism, and (2) that return of any kind for the benefit of a national or resident of Germany would put exchange balances under the control of German authorities, thus producing a result which the Dutch are anxious to avoid. Feeling that both of the stated objections could be surmounted, and in fact finding that my arguments against them were heard with sympathy, I told the Dutch officials with whom I dealt, that I hoped they would find it possible to explore these problems fully, and that I would stand ready to return to Holland to work on them further. Professor Bregstein of the University of Amsterdam, also a consultant for the Government on these problems, informed me by telephone last week that he had arranged the necessary conferences for me in Holland beginning December 1st, and that he would expect me there then.

While the sums involved in Holland are not great, the promulgation of the necessary legislation, particularly legislation on heirless property, would have a great extrinsic importance. Coupled with the passage of our heirless property bill in the United States, it would have a great strategic significance in our dealing with like problems in other countries. In Switzerland and Germany, in particular, I believe the enactment of such legislation could be used to great advantage in our negotiations. I therefore regard the work in Holland as an important first step.

I have been informed by Mr. Abba Schwartz that two IRO lawyers, Dr. Weiss and Dr. Schmitzer, have been charged with studying the heirless property question in neutral countries and Holland, that they are well informed on the subject, and that IRO is anxious for us to attempt to get action in this field. I propose to confer with Drs. Weiss and Schmitzer before going to Holland.

2. Sweden. The problem in Sweden also centers on heirless property, and is also probably of rather small dimensions. I am informed that Sweden is even more sympathetically disposed than Holland on this question, and also that the legal framework for effectuating return of heirless property is simpler, in that only

a royal decree is required, the King having full powers of disposition.

Thus far, there has been no action in Sweden because the Swedes are awaiting resolution of the problem by the United States and other Western countries. Here again the significance of getting an heirless property law in Holland is apparent, as is also the need for pressing our American legislation as soon as Congress reconvenes.

3. Germany. The foregoing also has an important bearing upon Germany where anything approaching satisfactory provisions can be found only in the American zone. The French zone provisions, both for individual restitution and disposition of heirless property, are quite unsatisfactory, and the British zone thus far has no provision at all. Moreover, the information I am able to obtain from London, indicates to me that in the absence of some effective outside pressure, the British will not make any provision for return of heirless property.

If I could go to Germany (and probably London as well) armed with the argument that the United States and Holland (and I hope Sweden as well) have confirmed the moral principle of making heirless property available for the relief and rehabilitation of survivors of the group, the chances of accomplishing beneficial changes in the British and French zones would be greatly increased. The projected organization of Trisodia will afford the occasion for a reconsideration of restitution problems. The push toward making the American zone law the model would obviously be much stronger if we could argue that several Western countries have already confirmed the American zone principles as a minimum standard of public morality.

I have discussed this problem with Mr. Foreman, director general of the Jewish Restitution Successor Organization, and he agrees that the prospect of effective action in Germany would be greatly enhanced if the desired legislation in the other countries were to become a fact first. While there is a chronic sense of urgency about German restitution, he felt I could safely postpone my going to Germany until after the first of the year, and he thought, especially vis-a-vis the English, January or February would be a better strategic time than now. (Incidentally, the Successor Organization now feels that an extension of time for filing beyond December 31, 1948, would not be desirable since it is confident it can finish the job of filing adequately within the presently allowed time. An extension would merely delay ultimate realization.)

Before going to Germany I shall attempt to find out from the State Department what kind of liaison is maintained between the Germans discussing the new constitution at Bonn and the American authorities in Germany. If the presence of a representative of a private organization at Bonn is not inconsistent with State Department policy, I shall attempt to make direct contact with the Germans participating in the Bonn meetings.

While in Germany, I propose also to do what I can with respect to effectuating needed changes in the proposed indemnification law for the American zone. From my conversations with Foreman, I gathered representation of the Jewish attitude toward this law is by no means being neglected at the present time.

The problem of "equalization," i.e., the spreading of burdens of war damages and injuries throughout the German economy, is another major related problem in Germany. It is still in a very preliminary stage. One of the proposals now

current -- imposing a mortgage on all German realty and the application of the proceeds to a central equalization fund -- has an obvious bearing upon the restitution problem if, as suggested, the mortgaging will be extended to restituted property as well. I propose to learn as much of this problem as I can when I am in Germany and to prepare myself on it so far as possible in advance.

4. Austria. Any legislation on heirless property enacted in other countries will also have an important bearing on Austria. While the Austrian restitution law refers to the establishment of an heirless property fund, there are no explanatory provisions, and no executive action has been taken thus far to give effect to the general provision. My informants on Austria, including the JDC director there, tell me that there is little disposition to do anything about heirless property, and that some pressure from the outside is indispensable. The argument that other countries have taken appropriate measures would afford a useful approach in dealing with Austrian officials.

Closely connected with the problem of heirless property is the proposed loan by the Austrian Government to the Jewish community against the security of the potential realization on heirless property. Until very recently, there was optimism about getting this measure through, but the many objections now being raised by the Austrian Government indicate that the prospects for this measure are no longer very good. Further pressure is needed here, too.

With respect to individual restitution, the present Austrian law is in terms moderately satisfactory, but I understand there is strong pressure from Austrians to modify the law in ways which would make it less favorable to Jews. Also, there has been a history of rather unfavorable interpretations and administration.

The time limit for filing individual claims expires on December 31, 1948. Unfortunately, my appointments in Holland, to which I attach great importance, will keep me from going to Austria immediately, but I plan to go there as early in December as I can, with the intention of doing what I can to get the time extended. While I shall also look into other restitution problems, it is probable that a second trip, after some of the hoped-for legislation is passed elsewhere, will be necessary.

5. Switzerland. From Abba Schwartz of IRO, I have learned that there are large amounts of heirless Jewish property in Switzerland. The Paris Agreement of June 1946 calls upon the Swiss to make this property or its proceeds available to an organization certified by IRO which will use it for the relief and rehabilitation of refugees. Thus far, the Swiss have used the difficulties of defining heirless property as a pretext for doing nothing. The IRO believe that if other Western countries adopted suitable legislation on heirless property, the Swiss would more readily succumb to pressure to release the heirless assets. Hence the IRO people are very much interested in the situation I have outlined in Holland and Sweden as well as the passage of our proposed legislation in the United States. They have offered to make us the beneficiary of all their learning on this subject, and they have generally shown a very cooperative attitude toward the work I hope to do in Holland and Sweden.

6. Greece. I was scheduled to leave for Greece very recently, but a last minute cable informed me that Mr. Politis was in Paris. Since the settlement of Mr. Politis' property problems in Tel Aviv has come to be associated with the effectuation of the Greek decree on heirless property, I changed my plans and entered into discussions with Mr. Politis here. I have never had a very optimistic view about what could be accomplished in Greece, and my conversation with Mr. Politis has not made me more hopeful. I am inclined to give the Greek problem a lower priority than the others I have referred to, and therefore propose to handle it as my preoccupation with other problems permits. If there is any reason for changing my attitude toward the prospects in Greece, I shall revise my schedule of work accordingly.

7. France. I have done very little with respect to the French domestic restitution problem, which centers primarily in heirless property, but generalizing from my meetings with representatives of French Jewish organizations on the subject of restitution in the French zone of Germany, I take a dim view of what we can hope to accomplish here in the immediate future. Being in Paris most of the time, however, I shall keep an eye on this subject. Here again, it should be possible to make advantageous use of the passage of the heirless property legislation in other Western countries, if we are fortunate enough to see such legislation enacted.

While I have unsystematically set forth a melange of problems in the foregoing, it should be clear that one central theme is the need for making provision for heirless property, and that the results we can obtain on this issue in the United States, Holland and Sweden will have important implications in other countries. It should also be pointed out that Israel will be a major beneficiary of any heirless property which is disgorged. For that reason, I think it is important that someone high in the councils of Israeli economic and financial affairs should be apprised of what I am trying to do.

Max Isenburgh

Mr. Seymour Rubin

November 2, 1948

Eugene Hevesi

Restitution laws in the British and French zones and in the U.S. sector of Berlin.

The situation can only be sketchily summarized here.

The French Zone: The French restitution decree is grossly unsatisfactory. It is slanted to benefit the Germans to the maximum possible extent. Last June, the French military allegedly agreed to at least a few balancing amendments but soon went back on them. They still may be swayed if the pending British legislation would turn out to be closer to the U.S. than to the French conception. The strategic key is, therefore, in the British zone.

The British Zone: Two earlier British drafts are known to us, both of them pretty bad. However, the British-Jewish organizations succeeded in obtaining consideration by the Foreign Office of a third and better draft, the precise contents of which may be known within two or three weeks. Today we only know that it contains a quite fairly formulated general presumption of duress, and there are rumors to the effect that it may recognize a joint, non-sectarian successor organization.

The fact is that now the British want to have a law at long last and the Foreign Office seems to be a bit disturbed over the obdurate attitude of their military.

It would be worth-while undertaking to give a push to this Foreign Office attitude. In the Office, the acting chief of the pertinent division is a Jew. He may, and may not, be of some help, but he obviously cannot make a revolution in the present unfriendly British atmosphere.

While the British and French Jewish organizations are afraid of American-Jewish pressure on their governments, it may be quite conceivable to have somebody like Mr. Isenbergh go to London and the British zone to discuss these matters. This would be my first suggestion. In your opinion, what help could be gotten from Washington and Gen. Clay on behalf of this venture?

Influential American circles might conceivably get the Conservative Party interested in this matter. A Conservative interpellation in Parliament might make quite a stir, and might be much more effective than a query by a laborite, as, for instance, Mr. Silverman.

337075

A trip to England and the British zone by Max Isenbergh is all the more urgent as Irving Mason is out and Ben Ferenoz too busy today to attend any bi - or tri - partite parleys where the British and French may be influenced.

The U.S. Sector in Berlin: The Deputy Property Division Chief in Berlin is reported to be prepared to apply Law 59 to the Sector, regardless of the difficulties. It would be important to check on this in Washington and get some indication of what could be done to promote this idea.

All these issues are more the concern of the Paris than the Washington Office. It is necessary, however, to have your advice on them.

**SURVEY OF RESTITUTION IN EUROPE
WESTERN AND SOUTHERN EUROPE**

	FRANCE	BELGIUM	LUXEMBOURG	NETHERLANDS	DENMARK	NORWAY	ITALY	GREECE
1. ESTIMATED JEWISH PRE-WAR WEALTH	150 to 200 Million pounds.	50 Million pounds.	Unknown.	75 Million pounds.	12.5 — 15 Million pounds.	2.5 Million pounds.	25 Million pounds.	15 — 20 Million pounds.
2. MAIN SOURCES OF LAW ON RESTITUTION	Decrees— 12.11.43, 16.10.44, 14.11.44, am. 2.2.45, 11.4.45, 21.4.45, 9.6.45.	Decree-Law— 10.1.41.	Decrees— 22.4.41, 7.7.44, 13.7.44.	Decree E.100, 17.9.44, as amended F.292, 16.11.45.	Decree No. 475, 1.10.45	Decree 29.7.41, as amended 17.8.45. Decree 18.12.42. Decree 21.9.45.	(a) Decree law, 20.1.44. Decree law, 12.4.45. (b) Law No. 393/46. (Dispossessions by Govern- ment of Social Republic).	Laws No. 2/44 (26.10.44). 337/45 (20. 5.45). 808/45 (31. 5.45).
3. WHO CAN CLAIM ?	Owner or legal successor ; if owner "sinistré" specially appointed administrator.	Dispossessed person or suc- cessor. (Property of persons of German and Austrian origin excluded.)	Dispossessed person or suc- cessor.	Any person violated in his rights or legal successor.	Danish citizens and their relatives.	Owner or legal successor.	(a) Persons affected by Fascist Law and their successors. (b) Persons considered as Jews by Fascist Law ; for missing person Jewish community may demand appointment of administrator.	Owner and heirs up to 4th degree.
4. WHAT PROPERTY IS EXCLUDED ?	(a) Property requisitioned be- cause of public importance un- less released by Conseil d'Etat. (b) Securities sold at Stock Exchange or Bank. (c) Property acquired at just price unless claimant proves duress.	—	—	—	—	—	(a) Movables. (b) —	—
5. WHICH AUTHORITY (a) DECIDES ON CLAIMS ? (b) EXERCISES TEMPORARY ADMINISTRATION ?	Court of Referees (speedy procedure).	(a) Courts. (b) Office of Sequestration.	Courts.	Council for the Re-Establish- ment of Justice can intervene whenever non-intervention would be inequitable.*	Directorate for Registration of Claims.	Office for Restitution, Court.	(a) Office for Administration and Liquidation of Real Estates. (b) Courts.	(a) Courts. (b) Jewish Property Admini- stration Bureau.
6. RELATIONS BETWEEN CLAIMANT AND HOLDER	Holder may claim considera- tion by which owner bene- fited. Holder must refund incre- ments, reimburse damages.	No refunds to holder.	As in Belgium.	Equitable decision. Restitution excluded if : (a) bona fide acquisition. (b) acquisition from third party for value. (c) acquisition for value. Purchase price to be refunded.	No details known.	No protection of bona fide acquirer, no refund of purchase price but reimbursement of expenses.	(a) Restitution by Office, sub- sequent transfer irrelevant. (b) bona fide acquisition pro- tected. (No bona fides for immovables.) Refund of pur- chase price, improvements, costs of administration.	Governed by Civil Law.
7. COMPENSATION IN LIEU OF RESTITUTION	Subsidiary claim against State for War Damage.	—	War Damage Bill does not provide for indemnification of racial persecutees.	Claim for War Damages if dis- possession effected by Ger- mans.	Exchequer to pay Indemnifica- tion, allowances, damages.	—	(a) Compensation by State. (b) Claimant may elect com- pensation instead of restitution from State or third party.	Owner may claim repayment of current value.
8. TIME LIMITS FOR CLAIMS	6 months from end of hostili- ties. 1 year in case of movables. 2 years in case of furniture taken by enemy.	3 years from conclusion of peace.	As in Belgium.	6 months from institution of Council.	—	—	(a) 1 year from conclusion of peace. (b) Vindication 3 years. Compensation from State 10 years. Compensation from private person 3 years.	—
9. PROVISIONS RE SPECIAL CLAIMS	PREMISES : Decree 14.11.44, interests of tenant and occu- pier to be balanced. FURNITURE : Special Office and procedure.	Premises : arts. 30-32. Decree-Law 12.3.45 provides for reinstatement of former tenant.	—	In discretion of Council.	Detailed provisions for dam- ages for deprivation of liberty, injury to life and health, in- cluding allowances and pen- sions.	—	Reinstatement into occu- pation, education, by various enactments.	—
10. SPECIAL PROVISIONS RE HEIRLESS PROPERTY	NONE. Special Fund considered but not adopted for formal reasons.	—	—	Envisaged in E.100 by Special Decree.	—	—	Legislation providing for hand- ing over to Jewish Communi- ties impending.	Law No. 846/46 (18/1/46) waives right of escheat, pro- vides for Jewish Rehabilitatic n Fund.
11. PROPOSED NEW LEGISLATION	—	—	—	—	—	—	—	—
12. SPECIAL REMARKS	<p>THIS CHART, prepared by Dr. P. Weis, Legal Secretary of the Research Department, World Jewish Congress, British Section, presents a comparative survey of the main features of restitution of Jewish property in the various countries of Europe according to the state of legislation at the beginning of 1947. No guarantee for accuracy can be given and the survey is not intended as a substitute for legal advice in individual cases.</p>			Wide Discretion of Council	Only country to provide for Indemnification by State for crimes against humanity.	—	Donations made in conse- quence of Fascist laws may be revoked.	—

* Presumption of inequity if legal relation changed :
(a) by force or undue influence by occupant.
(b) without legal cause or on ground of void legal measures.

337077

NEUTRAL STATES.

EASTERN EUROPE.

	SWEDEN	SWITZERLAND	GERMANY	AUSTRIA	HUNGARY	ROUMANIA	BULGARIA	CZECHOSLOVAKIA	POLAND	
1. ESTIMATED JEWISH PRE-WAR WEALTH	—	—	500 Million pounds.	87 — 100 Million pounds.	100 Million pounds.	250 Million pounds.	12.5 — 15 Million pounds.	175 — 200 Million pounds.	—	
2. MAIN SOURCES OF LAW ON RESTITUTION	Law No. 520/26, 14.7.45.	Federal Council Decree, 10.12.45.	NO COMPREHENSIVE LEGISLATION HAS YET BEEN ENACTED EXCEPT LAW No. 52 MILITARY GOVERNMENT ENABLING BLOCKING OF ALIENATED PROPERTY.	(a) Law 10.5.45 (No. 10/45) as amended 27.2.46 (47/46). (b) Nullity Law 15.5.46 (106/46) (c) 1st Restitution Law 26.7.46 (156/46) Executive Order 15.9.46 (167/46). (d) Dispossession Registration Order 15.9.46 (166/46).	(a) Order 200/1945 M.E. 5.2.45. (b) Decree 11.9.46. (c) Decree 300/1946.	Law, 1.8.1945. (No.172/45).	Decree of 24.2.1945.	Presidential Decree, 19.5.45. Law No. 126, 16.5.46.	Decree of 8.3.46. Off. Gaz. No. 13 pos. 87.	
3. WHO CAN CLAIM ?	Rightful owner or assignee of property seized in war-occupied country.	Person dispossessed in war-occupied country.		(c) Owner and heirs up to 3rd degree ; more distant relatives only if they lived in common household with deceased.	Discriminated persons and heirs up to 2nd degree. For absent persons appointed custodian.	Jews who were in Roumania or deported at time of dis-possession.	Owner or his mandatory; for absent Jews : Jewish Consistory.	Aggrieved person and legal successors unless "nationally unreliable" (Law No. 108 of 25.10.1945).	Owner, relatives up to 2nd degree, spouse.	
4. WHAT PROPERTY IS EXCLUDED ?	—	—		(c) Provides for restitution of property seized by Germans at present in administration of Austrian authorities only.	Agricultural property affected by Agrarian Reform Act 18.3.45 (a) provides avoidance of usurious or grossly detrimental contracts. (b) applies to shops, premises, furniture. (c) applies to movables.	—	Agricultural property handed over to landless peasants and Social Insurance Fund ; movables which cannot be restored in kind.	(a) Property transferred to "nationally reliable" person and for adequate compensation. (b) Property belonging to "nationallyunreliable" persons. (c) If interests of holder in property prevail over those of claimant.	Property subject to nationalisation (Agrarian Reform Act of 18.1.1945. O.G. No. 3, pos. 13. Nationalisation of Certain Forests Decree 12.12.1944, O.G. No. 15 pos. 82, Law concerning Nationalisation of Basic Branches of State Economy of 3.1.46, O.G. No. 3 pos. 17).	
5. WHICH AUTHORITY (a) DECIDES ON CLAIMS ? (b) EXERCISES TEMPORARY ADMINISTRATION ?	Special Judicial Board (Application to Foreign Office)	Federal Court (Special Division).		(c) Provincial Directorate of Finance.	(a) Competent Court. (b) District Court or Arbitration Commission. (c) District Court.	Civil Court in Chambers.	Authority in charge of the property.	District Court.	(a) District Courts (speedy procedure). (b) District Liquidation Office.	
6. RELATIONS BETWEEN CLAIMANT AND HOLDER	No protection of <i>bona-fide</i> acquirer, but may be indemnified by State. Purchase price to be refunded.	No protection of <i>bona-fide</i> acquirer, but may be indemnified by State. Purchase price to be refunded.		(c) Property to be restored <i>tel quel</i> ; including existing accessories.	(a) for Jews presumption of duress. (b) damages to be refunded on basis of current value ; purchase price may be taken into consideration. (c) No <i>ius retentionis</i> , no rest. from 3rd party unless acquired free of charge or closely related with 1st acq. No rest. from 1st acq. if vitally needed by him.	<i>Bona-fide</i> possession of movables protected ; liability for damages caused <i>mala fide</i> . Purchase price to be refunded.	Increments to be refunded. Mortgages, Improvements to be redeemed.	Rules of civil law for <i>mala-fide</i> possession apply (exceptions). Anything received by claimant to be refunded.	Persons who acquired from or on behalf of Germans are considered as acquirers in bad faith, and have no counter claims. Other claims governed by civil law.	
7. COMPENSATION IN LIEU OF RESTITUTION	—	—		—	Current value to be paid by 1st acq. unless vitally needed by him.	—	In case property is not restored compensation by the State ; for movables, by persons responsible. No compensation for <i>vis major</i> .	Compensation of current value if : (a) restitution not easily practicable. (b) if restitution would be hardship on holder and property not needed by claimant.	Compensation for nationalised property under special legislation and for property sold by Liquidation Office because of danger of destruction.	
8. TIME LIMITS FOR CLAIMS	Law in force until 30.6.46	31.12.1947		TAX.	(c) One year from coming into force of law !	(a) 17.3.1947, in exceptional cases, 1.1.1950. (b) 31.12.46, unclaimed property goes to Commissioner for Abandoned Property. (c) Statute of Limitations (32 years).	3 months. For persons abroad, 1 year from publication of law.	3 months from 2.3.45, movables for all claimants. 1 year for absent Jews for other property.	3 years from coming into force of law (quashing of illegal decision).	31.12.47. Treasury or special institutions acquire ownership of immovable property after 10 years ; of movables after 5 years, from 1945.
9. PROVISIONS RE SPECIAL CLAIMS	—	—		—	Reinstatement into civil service (134/45) professions (Nos 103, 104, 145/45).	Civil Servants 200/1945, Licences, etc. Various Orders.	Law, 19.12.1944, concerning reinstatement into civil service and private employment.	Special provisions for pharmacies, shares. Civil servants reinstated.	War Damages : notifications, assessment, Decree 54/45, 31.8.45.	—
10. SPECIAL PROVISIONS RE HEIRLESS PROPERTY	Heirless property is to be used for certain welfare purposes according to statute. Allies requested use for victims of German action. 95% to be used for Jewish victims.*	Allies requested use for victims of German action. 95% to be used for Jewish victims.*		ATTEMPTS in BRITISH ZONE to hand over heirless property to Jewish Communities as custodian.	—	Jewish Rehabilitation Act, 1946 creates Jewish Rehabilitation Fund under joint Government and Jewish Administration.	—	—	—	Social Institutions and Relief Organisations of specially persecuted groups may obtain administration and usufruct of abandoned property (Section 12, Decree No. 13).
11. PROPOSED NEW LEGISLATION	—	—		DRAFT FOR U.S. ZONE based on drafts by Provisional Governments.	Restitution Bill adopted by Parliament ; 2nd and 3rd Restitution Bill prepared by Government.	U.K. proposal for clause in Peace Treaty concerning restitution. Article (27/1*). U.S. proposal concerning heirless property. Article (27/2*).	U.K. proposal for clause in Peace Treaty concerning restitution. (Article 25/1.) U.S. proposal concerning heirless property. Article (25/2*).	—	—	—
12. SPECIAL REMARKS	Government agreed to hand over share of German assets for rehabilitation of victims of German action. (90% for Jewish victims).*	Government agreed to hand over share of German assets for rehabilitation of victims of German action. (90% for Jewish victims).*		Only enactment : THURINGIA, 14.9.45. Deals with dispossession by official action. Restitution in kind only. Entitled: owner and heirs up to 2nd degree. <i>Bona-fide</i> possessor may be granted compensation. Decision by Arbitration Tribunals. Time-limit 30.9.1946.	Allies may veto legislation ; situation aggravated by interpretation difficulties of Potsdam Agreement.	(*) Adopted by Paris Peace Conference and embodied in Peace Treaty.	(*) Adopted by Paris Peace Conference and embodied in Peace Treaty.	—	Restitution in Slovakia just starting.	Non-owner to whom abandoned property is restored acquires possession and usufruct only ; ownership under State of Limitations (10 years.)

* P.I., Art. 8, Final Act, Paris Reparation Conference, 1945, and Agreement on Allocation of Reparation Share of 14.6.46.

SURVEY OF RESTITUTION IN EUROPE.

FIRST SUPPLEMENT.

YUGOSLAVIA

AUSTRIA (Supplement)

1. ESTIMATED JEWISH PRE-WAR WEALTH	25 Million pounds.	—	—
2. MAIN SOURCES OF LAW ON RESTITUTION	Law of 24.3.45, as amended 2.8.46 (O.G. No. 64)	Second Restitution Law of 6.2.47 (No. 53/47) concerning dispossessed property confiscated by Austrian State.	Third Restitution Law of 6.2.47 (No. 54/47).
3. WHO CAN CLAIM?	Owner, spouse, ascendants, descendants, brothers and sisters.	Owner and heirs up to 3rd degree; more distant relatives only if they lived in common household with deceased.	Owner and heirs up to 3rd degree; more distant relatives only if they lived in common household with deceased.
4. WHAT PROPERTY IS EXCLUDED?	(d) In case of large property only part to be restored. (b) If property required in the interests of National economy. (c) If property required for military purposes. (d) If considerable investments were made by others during dispossession. (e) Mines.	—	Agricultural property used for agricultural settlement purposes may be excluded in the National Interest.
5. WHICH AUTHORITY (a) DECIDES ON CLAIMS? (b) EXERCISES TEMPORARY ADMINISTRATION?	People's Court; on 4 (b)—(d) Supreme Court. State Administration of National property.	Provincial Directorate of Finance.	Restitution Commissions at High Court of first instance.
6. RELATIONS BETWEEN CLAIMANT AND HOLDER.	Governed by Civil law; mortgages expire.	Property to be restored <i>tel quel</i> , including existing accessories.	Property to be restored at least as it was on 31.7.46, including existing accessories; only consideration of which owner could freely dispose to be refunded. Mortgages expire except such covering necessary or useful expenses in favour of owner, servitudes.
7. COMPENSATION IN LIEU OF RESTITUTION.	Subsidiary claim against State for War Damage.	—	If restitution economically impracticable, commission may award restoration of similar property, partnership, compensation by payment of estimated value.
8. TIME LIMITS FOR CLAIMS	No provision in law—applications for probate only after one year from termination of war. Claims of relatives of deceased owner one year from coming into force of law (17.8.47) or declaration of death, whichever is the later.	One year from coming into force of law (28.3.48).	One year from coming into force of law (28.3.48).
9. PROVISIONS RE SPECIAL CLAIMS	—	—	Legislation concerning claims of employees, tenants, copyrights and patents, claims of public law coming under the jurisdiction of the administrative authorities reserved.
10. SPECIAL PROVISIONS RE HEIRLESS PROPERTY	—	—	—
11. PROPOSED NEW LEGISLATION	—	—	Law concerning certain measures for victims of Fascism; and law concerning claims of employees passed 8.7.47.
12. SPECIAL REMARKS	Relatives of owner acquire administration and usufruct only.	—	Laws mentioned in 11, period for allied veto still running.

HEADQUARTERS
JEWISH RESTITUTION SUCCESSOR ORGANIZATION
APO 696A U. S. ARMY

29 September 1948

Mr. Max Isenbergh
The American Jewish Committee
30, Rue La Boetie
PARIS 8, France

*Restitution Germany
American Zone*

Dear Moose,

Thank you very much for your letter of September 15 and the information concerning the extension of Section 33 of The Trading With the Enemy Act.

Military Government has agreed to turn over to us all reports, filed pursuant to Law 59, which show the acquisition of properties from persecutees. This means that we will be filing almost 50 000 claims between now and December 31.

You may be interested in a major problem which looms before us. Representatives of the German Laender are now meeting at Bonn to set up a tri-zonal state. They will undoubtedly discuss uniform laws and there is a good possibility that the British and French will then try to castrate Law 59 particularly as concerns the JRSO. A strong arm to prevent that from happening would be a very welcome tool. There is even a remote possibility of having the American version prevail if the matter is properly handled.

I am much too busy in the U.S. Zone to try to influence the affairs at Bonn. I am operating on the principal that our main strength will lay in being very firmly entrenched in the U.S. Zone. If there is anything you can do on the tri-zonal problem I am sure it would be a very outstanding contribution.

Sincerely yours

Ben

BENJAMIN B. FERENCZ
Director General

337080

February 1948

Draft of a letter to the United States, British and French delegations
in London dealing with a tripartite agreement on Germany

The undersigned organizations, acting on behalf of the largest part of organized Jewry the world over, beg to call the attention of the representatives of France, Great Britain, and the United States to the necessity of solving at least some of the most pressing problems resulting from anti-Jewish persecution by the Nazi Government, within the framework of the proposed tripartite arrangement on Germany.

1. Uniform restitution legislation

During the twelve years of Nazi domination practically all Jews in Germany were deprived of their property, rights and interests. Some of these, especially portions of the real estate, personal property, commercial, industrial and artisan enterprises, are still in existence but in the hands of their unlawful acquirers. The U. S. Military Authorities enacted on Nov. 10, 1947, Law #59 which takes cognizance of the wrong done and endeavors to undo it to a considerable extent. However, the provisions of the French restitution decree of Nov. 18, 1947, fall short of this objective and are considerably more lenient to the unlawful acquirer than the domestic French restitution legislation, the U. S. law and the common German law. The British have so far issued a registration decree while a restitution decree is reportedly under discussion.

It is submitted that there is no basis for three different restitution laws within a combined United States-British-French occupied Western Germany and that the best solution of the problem would be the extension of the U. S. Law #59 to the other three Zones. This would be in line with the precedent established by Military Government Law #52

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and others. Such a unification would not only be consistent with the common policies in the three Zones, but would also eliminate many difficulties of inter-zonal collisions, simplify the procedure, cut down costs and expedite the accomplishment of the common task of the Allies: restoration of law in Germany.

2. Disposition of heirless and unclaimed property

As a result of the mass murder of Jews by the Nazis, a considerable portion of Jewish property, rights and interests will remain heirless or unclaimed. It is obviously beyond any concept of justice and decency that these assets should revert to the German authorities, since this would make the German population, which is at bottom solely responsible for the murder of the owners, the beneficiary of these assets and thus set a premium on the extirpation of thousands of innocent people. By the Paris Agreement on Reparation, and the pertinent provisions in the treaties with Romania and Hungary, the Allies have recognized that the survivors of the persecuted group are to be the sole beneficiaries of such property. It is submitted that this principle is the only one which should and can prevail in regard to Germany. It must be taken into consideration that at present only a few thousand Jews live within the three Western Zones and that the overwhelming majority of the survivors is scattered throughout the world. A reasonable application of the aforesaid principle must lead to the assignment of heirless and unclaimed Jewish properties to an organization representative of Jews of as many countries as possible. And this not only because the survivors live there but also because the Jews all over the world have had to care and still are caring for a great many of survivors and because the problem of Germany has become a problem for Jewry as a whole. It is therefore suggested that a common successor organization

for Jewish heirless and unclaimed property be set up for all three zones and that a body representing the organized Jewries of the most important countries be officially designated as such successor, with all the powers necessary to accomplish this task.

3. Uniform compensation law

Restoration, by means of restitution legislation, of the situation as it existed before alienation is possible only in cases of still extant properties, and in some cases by means of compensation for the loss of the property to be restored. In all other cases, as for instance discriminatory levies, confiscation of moneys and non-restorable securities, dismissal from office or vocation, forced labor, imprisonment, the damage can be undone in money only. The losses which Jews have suffered through such acts are enormous and call for redress. Should these amounts remain unpaid, the German people which inflicted them would benefit from outright robbery - a situation which cannot but induce the repetition of such outrages.

To remedy this situation, it is suggested that a tri-zonal law be enacted to cover compensation of losses not coming under the restitution legislation, payment of compensation being imposed on the tri-zonal administration. In view of the announced stabilization of German currency, any reason which previously could be advanced for postponement of such legislation becomes invalid.

4. Currency legislation and compensation

337083

It is assumed that the announced currency reform will entail a reduction of existing value to a considerable extent. If this is done indiscriminately, it would entail immense losses on the part of persecutees whose property was confiscated at a time when the German currency was still stable and the mark had a high purchasing power.

Accordingly, it is submitted that in fixing the rate of exchange of the old mark for the new, these claims be put in the category most favorable to the claimant.

5. Transfer of personal property

Many persecutees though were forced to leave Germany still possess personal property there; others will regain such property through restitution or otherwise. They need this property in their new residences. On the other hand, this transfer could in no way be detrimental to the general Allied objective of restoring the German economy. It is therefore suggested that tri-zonal rules permitting the free transfer of such property be promulgated at the earliest possible moment.

6. Persecution of war criminals and denazification

Despite the good examples established by the International Military Tribunal and followed by military courts of the Allies, a very small number of Germans responsible for the Jewish disaster have so far been brought to trial. The experience after the First World War and the present state of mind in Germany are evidence of the necessity to continue to entrust the punishment of war criminals to Allied courts; to leave it to the Germans would make a travesty of this sacred trust.

Experience has clearly demonstrated that, in denazification by German bodies, strict Allied supervision is indispensable if this is not to degenerate into a farce. Should this process break down, it will only strengthen the enemies of democracy and decency and greatly encourage a renewal of Nazi teachings and activities.

7. Displaced Persons

337084

The Jewish displaced persons in Germany are the pitiful remnants of numerous Jewish communities in many countries. They were uprooted

by the Germans and are in Germany not because of their free choice. Many of them are survivors of German concentration camps, persons who for years worked for Germany under the most miserable conditions and without pay. They are therefore entitled to special consideration in their efforts at resettlement and rehabilitation. It is suggested that the tri-zonal German administration be obligated to assist them in their rehabilitation and resettlement by providing the necessary clothing, tools, machines and other implements.

337086

Restitution General

22 DEC 1947

December 16, 1947

Dear Mr. Blaustein:

On receipt of your letter of December 12, I must say that your judgment is better than the collective wisdom of the Jewish organizations.

After the enactment of the U.S. restitution law, I had urged that we press for the approval of both State and War for the Restitution Commission but all other organizations felt it was sufficient to apply to the Department of State alone.

The situation today is that the State Department has actually given its unqualified approval but some allegedly "lower echelon" people in the Department of War have refused to forward the message to General Clay. The JDC and the Agency are now trying to remove the obstacle on that level, but they may fail, and it may become necessary to utilize some personal influence upon General William H. Draper, Assistant Secretary of War, in charge of Occupied Area Affairs in the Department. I feel that it would enhance the prestige of the Committee if you would have such a personal approach to the General, and would be willing to make use of it on behalf of the good cause, in case the current attempts actually fail.

With regard to the Vice-Presidencies with the Commission, there is no doubt that we are entitled, together with the treasurership, to one of these positions. What is not a hundred percent certain is whether all constituent organizations are entitled to a Vice-Presidency, or only we, the American Jewish Conference, the World Jewish Congress, and the one operating agency which is not occupying the Presidency? Soon we are going to have some 15 or more constituent organizations, and as many Vice-Presidencies would strike me as somewhat childish and clumsy.

Lately, Leonard Stein expressed to William Frankel the AJA's desire to join the Commission. I have prepared the ground for this with the JDC and the Agency, and advised Mr. Frankel that an official letter by Mr. Stein to the Commission itself would simplify the issue.

At present, the five organizations are preparing a visit to the French Embassy to express our feelings on the catastrophic French zonal restitution ordinance. This would be undertaken in agreement with the French Jewish organizations who would like to see as much critical public comment on this bad law as possible, but only outside of France, notably in the United States. In connection with this interview with the Embassy, a press campaign may develop here, both in support of some implementative improvements on the French law itself, and also as a warning to the British not to use the French law as a model for their own impending legislation.

The interview with the Embassy is planned to be on the professional level.

Mr. Jacob Blaustein
Baltimore, Maryland

Very sincerely yours,
Eugene Hevesi

Dr. Slawson

March 25, 1947

Simon Segal

Meeting at Mr. Morgenthau's office

Col. Bernstein called me yesterday and asked me to attend a meeting this morning in the office of Mr. Henry Morgenthau. Representatives of the five organizations which are working on restitution problems were present: Leavitt from the Joint, Boukstein from the Jewish Agency, Bernstein and Kenen from the Conference, Dr. Nehemiah Robinson from the World Jewish Congress and myself. In addition, Dr. Eli Ginzberg attended.

The question discussed was the implementation of the Paris Reparations Agreement on the basis of which the Intergovernmental Committee was to receive 25 million dollars from German assets in neutral countries, particularly Sweden and Switzerland. The IGC is to turn over 22½ million of that money to the Jewish Agency and the JDC. This amount is in the budget of the United Jewish Appeal and Mr. Morgenthau, as the national chairman of the UJA, is concerned about the best methods of securing the payment of these funds as soon as possible.

Dr. Ginzberg, who was the American Representative at the Paris Conference on Reparations explained that Sweden is willing to pay her share of 12½ million dollars. However, the Swedish government does not consider this money as being part of German assets but as a gift for refugees and their needs. Therefore, the Swedes would like to include their share in the IRO, which amounts to \$3,300,000 in these 12½ million dollars. The appropriate legislation has already been enacted in Sweden and it is expected that the money will be forthcoming soon if the British and Americans agree that this will also cover the IRO share of Sweden. Once this question is settled with Sweden, the Swiss amount will also be forthcoming.

Mr. Morgenthau's purpose in inviting us was to ask all the organizations to abstain from any intervention with regard to this problem in Washington. He felt that the funds are badly needed and everything should be done in order to secure them speedily. He asked for authority to handle the problem himself through his own contacts on the level of President Truman and Secretary Marshall. However, he would need some money for the handling of this matter. It was not made clear what the money was needed for but it seems that the follow-up and the implementation of the matter will require from \$50,000 to \$100,000.

Mr. Morgenthau stated that he may not need the whole sum, but, if needed, he would not want to come back again. He asked the two beneficiary organizations, the Jewish Agency and the JDC, to provide that amount. He asked the other organizations, like ours, to have confidence in him to handle the problem and not to intervene ourselves.

I explained that the American Jewish Committee has been very active in the past securing restitution and reparation for Jews. When Dr. Ginzberg was appointed, we immediately put our means at his disposal to work with him in New York and Paris and obtained some studies on Swiss laws for him. Dr. Ginzberg very graciously recognized this and express his thanks to us at the meeting.

Since the agreement in Paris, we have not intervened independently in the problem. This was up to the beneficiary organizations. While I could not make a formal commitment in the name of the American Jewish Committee, I assured Mr. Morgenthau that the Committee will certainly not interfere with him in his activities in this matter.

The Agency and the JDC were very cool to Mr. Morgenthau's suggestion. They did not think it was worth while to spend such an amount of money because they have the feeling that the problem will be solved within a couple of months anyway. Especially the Swedish funds, according to Dr. Ginzberg, can be made available within a few weeks. However, they stated they would take Mr. Morgenthau's suggestion back to their organizations, and Mr. Leavitt who is leaving tomorrow for Washington will get full information on the present state of the matter.

As far as we are concerned, we should wait until full information is available and for the decision of the two beneficiary agencies. I suggest that if they feel that an expense of that kind is justified, we should formally assure Mr. Morgenthau that the Committee will not undertake any independent action and will leave the handling of this problem entirely to him.

April 7, 1947

Additional note:

Since our meeting with Mr. Morgenthau, the JDC and the Jewish Agency have learned that the problem will be settled soon. Therefore, Mr. Morgenthau is abstaining from any action on his own.

337088

~~Germany~~ *George Weiss*
(General)

9/30/47

France

The prolongation of the time limit set in the French Restitution Law (December 21, 1947) has been discussed with French lawyers. An opinion has been given on the question of setting up a temporary office for the collection of material on heirless property in France.

Poland

The question of the prolongation of the time limit set in the Polish Restitution Law (December 31, 1947) has been taken up with our Warsaw Office. The question of organizing the filing of restitution claims of people outside Poland has been examined. As, however, restitution claims in Poland have at present to be filed by December 31, 1947, no steps have been taken in this matter as it would be impossible to settle the matter in time.

German

German Jews

- (1) The newly established Jewish communities in Germany also acting in fact as such have no legal basis. Discussions have been started among German Jews with regard to the legal establishment of these new communities. The German Jews need assistance for this task, and the future Restitution Commission is interested in the new law in preparation which will regulate the legal position of Jewish Communities in German.
- (2) Laws are discussed in Germany which intend to legalise posthumously marriages which could not take place in consequence of the racial legislation of the Nazi regime. From the Jewish point of view this legislation is undesirable.
- (3) German Jews who have been deported from Germany or left Germany as refugees have lost their German nationality and did not regain it when returning to Germany. They are at present stateless. A Control Council Law is in preparation to enable them to regain German nationality which is most important for those German Jews who want to remain in Germany especially for professional people.
- (4) Laws and decrees have been promulgated in the German Laender regulating the reinstatement and pensions of civil servants who have been dismissed for racial reasons. These laws and decrees in itself quite satisfactory do not apply to stateless persons of former German nationality, i.e. they do not apply to former German civil servants who have left Germany as refugees. Steps have been taken to extend the benefits of the new regulations to former German nationals.
- (5) German legislation does not pay attention to the fact that some of the laws now promulgated are of interest to many persons living outside Germany, most of them in far away places. In consequence time limits imposed are too short, and there is a danger that people entitled under the laws in question will be excluded from their benefits for the reason that they do not file their claims in time. Steps have been taken to draw the attention of the occupying powers to this problem.
- (6) German Jews are subject to the same taxation as Germans in general. They are in consequence paying reparations, and the fact is not taken/....

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taken into account that they had to return into the economic life of Germany without any reserves.

- (7) The decree by which the Jews were forced in 1938 to accept compulsory Jewish names has been revoked ex nunc. In the British Zone legislation was promulgated to make this legislation effective ex tunc. The question is examined whether similar legislation is advisable in the other zones of Germany.
- (8) Amnesties which were promulgated after 1945 in Germany mostly apply to political offences only. Offences committed by Jews were not political offences but offences committed to avoid the consequences of persecution. In the British Zone, therefore, an additional amnesty was promulgated which covers the latter offences. The amnesties promulgated in the other zones are being examined in order to find out whether an additional amnesty is necessary in the other zones.
- (9) An ordinance has been published in the British Zone which supplements the German law on declaration of death in the following way:
- (i) It is expressly stated that arrest for political reasons, deportation or detention in a concentration camp or a ghetto establishes immediate danger of life. Consequently a person so treated can be declared dead if missing, without further evidence.
 - (ii) The 8th May 1945 is to be assumed as date of death if no other date is proved.
 - (iii) Not only German nationals but also persons of former German nationality can be declared dead.
 - (iv) No court fees are payable.
 - (v) No announcements in the newspaper are necessary.

Steps have been taken to have similar provisions enacted in the other zones of Germany and Berlin.

- (10) The question of enactments against antisemitism has been examined.

D.P.s

- (11) According to German law marriages have to be solemnized before the German registrar. In many cases, especially the first year after liberation, Jews had their marriages only religiously solemnized. Such a marriage is not only invalid under German law but under the rules of Private International Law it is also invalid outside Germany with the exception of Palestine.

As displaced persons do not want to have their marriages solemnized before a German registrar and as camps are mostly coming under

the jurisdiction of the Buergermeister of small villages who are not in a position to deal with marriages of foreigners, use has been made in the British Zone of a provision in the German Personenstandsgesetz, according to which a certain territory can be declared a special Standesamtsbezirk. The camp Bergen-Belsen has been declared such a special district and in agreement with the camp committee a special registrar has been appointed.

Steps have been taken to have the same procedure applied in the American Zone.

Guardianship for unaccompanied children -

September 25, 1947.

AGENDA

Poland Prolongation of the period for filing Restitution Claims
Organisation for filing Restitution claims on behalf of
Jewish claimants abroad, especially in Germany, Austria
and Italy.

France Heirless property

Austria Austrian Jews: Heirless property
Nationality
Antisemitism

D.Ps. Marriages

Germany German Jews: Re-establishment of Communities
Antisemitism
Reinstatement of Civil Servants
Posthumous marriages
Restitution
Indemnification
Nationality
Taxes

D.Ps.: Marriages
Declaration of death

children -

THE AMERICAN JEWISH COMMITTEE

Committee on Peace Problems

Restitution of Property

Third Session

January 23-24, 1947

337093

Prepared by
Eugene Hevesi
Member of Staff
Foreign Affairs Department
American Jewish Committee

337094

RESTITUTION OF PROPERTY

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THE AMERICAN JEWISH COMMITTEE

Committee on Peace Problems

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RESTITUTION OF PROPERTY

I. Introduction

A more or less detailed review of the legal instruments governing the restitution of Jewish property in the major countries of Europe is included in last year's report Toward Peace and Equity, February, 1946. The following survey, therefore, deals with legislation only in cases where the legal situation has changed, new statutes have been enacted or previous laws have been amended. Otherwise, the survey will be devoted chiefly to the evaluation of the practical achievements and results of restitutive legislation from the point of view of the economic rehabilitation of Jews in twelve major European countries.

Last year's report was presented at a time when conditions in most Eastern European countries appeared to be much more in flux and much less clearly assessable than those prevailing in Western European lands. It is, therefore, in keeping with the objective of rendering an account of practical results that the present survey deals in greater detail with developments in the East than in the West.

The report will devote considerable attention to the

legal preparations for a restitution law in the American zone of Germany and will summarize the economic clauses of the treaties of peace on property restitution and on the utilization of heirless property in Rumania and Hungary.

II. American-Occupied Zone of Germany

A. Interim Relief Award Law

In September, 1946, an interim relief award law providing for the creation of a relief fund to support German victims of Nazism was drafted in final form by the United States Military Government. The aim of the fund is to make payments not exceeding RM 250 monthly for a maximum period of eighteen months, to persons of German nationality injured in respect to life, health and liberty under Nazism, and to their dependents. The fund may provide additional payments for curative treatment, vocational training and a maximum award of RM 3,000 for assistance in establishing a business. It is believed that this law is to be enacted soon. It will provide only temporary relief, not property restitution or indemnification.

B. Proposed Restitution Law

After many months of discussion on the preparation of a property restitution law in the American-occupied zone of Germany, between the Office of Military Government of the United States authorities, the German Laenderrat and the five cooperating American Jewish organizations (the American Jewish Committee,

Joint Distribution Committee, American Jewish Conference, Jewish Agency for Palestine and the World Jewish Congress), partial progress has been achieved in satisfying the viewpoints and suggestions of the Jewish organizations.

During 1946, four successive draft texts were submitted by the American authorities to these organizations for comment. In general, their joint proposals have enjoyed the support of the Departments of State and War but they have met with frequent objections from the office of Military Government and the German Laenderrat.

In spite of arduous efforts on the part of the Jewish organizations, early in the negotiations it became clear that important Jewish claims will not obtain consideration within the framework of the proposed law. First of all, the restitution law will not be founded on the recognition that the basis of the obligation to make restoration is a public and not a private wrong. As a result, all four draft laws provide merely for a rearrangement of private property rights between claimant and holder on the basis of balancing opposing private equities. Hence, claims for restitution will be adjudicated in civil suits between private parties, instead of duly involving the primary public wrongdoer, the German state, as a liable co-party in restitution proceedings.

Secondly, the law will not satisfy the objective of providing means for Jewish rehabilitation and resettlement

outside of Germany. The highest military authorities have made it irrevocably clear that no convertible German external assets will be available for this purpose; also that German export proceeds will be used exclusively for purchasing imports for Germany or for general reparations in accordance with the Potsdam and Paris agreements. Consequently, even heirless and unclaimed property will have to be administered and used inside Germany for a considerable length of time until some method is found for the transfer abroad of the proceeds of restituted property.

While it was evident from the outset that no revision of these fundamental features of the law would be obtained, the five Jewish organizations felt obliged to take a determined stand against the following further major defects of the draft:

1. Section 47 of the draft bill provides that the chairman and both assessors of the Restitution chambers shall be appointed by the German authorities; that the chairman and one assessor each shall be Germans and only the other assessor "must come from the class of persecutees." As against this provision, and based upon the fact that a controversy under this law is one between German interests and the interests of those who have been forcibly eliminated from German national life, the five Jewish organizations insisted that all claims in both instances be adjudicated by mixed commissions, consisting of an American chairman, a judge designated by the German authorities and one representative of the group of persecutees involved.

2. Section 6 of the draft bill provides that heirless and unclaimed property shall be entrusted to an agency approved by the German government. The Jewish organizations urged that this agency should be designated by the United States Military Government instead of by the German authorities, that it should be a Jewish body representative of Jews throughout the world, and that its jurisdiction should be extended over that part of the property of Jewish communities and foundations which exceeds the actual needs of still existing organizations of this nature.

3. The draft law fails to permit damages against German authorities in the event it is impossible to make restitution, or damages of any other nature. Furthermore, even when responsibility for damages is established the draft fails to guarantee that these losses actually will be recovered by the claimant. The Jewish organizations demanded, therefore, that the law should in no way prejudice claims for damages against German authorities.

4. Section 11 of the draft provides that bearer instruments will not be subject to restitution if they have been acquired without knowledge of the fact of Nazi confiscation. The Jewish organizations protested against this provision and demanded that bearer instruments be treated on the same basis as other forms of property.

In addition, the Jewish organizations pointed out that there will be many situations in which the specific property taken from

Jews and Jewish organizations cannot be found and that, on the other hand, a wealth of German Reich and Nazi party property is available under military control. On this basis, they suggested that such German properties should be used to make restitution when the specific properties taken from the Jews cannot be found or are destroyed.

(It should be noted that besides these major proposals, a considerable number of detailed amendments have been submitted to the American authorities in Washington and Germany.)

When even the fourth draft text of the law - of October 18, 1946 - failed to satisfy their major demands, the Jewish organizations decided to submit these proposals directly to General Lucius D. Clay, head of the office of United States Military Government and deputy commander of United States forces in Germany. At a meeting in New York, on November 21, 1946, leading representatives of the five organizations (Judge Joseph M. Proskauer for the American Jewish Committee, Mr. Louis Lipsky and Colonel Bernard Bernstein for the American Jewish Conference, Mr. Isaac Levy for the Joint Distribution Committee, and Dr. Nahum Goldman for the Jewish Agency and the World Jewish Congress), discussed with General Clay the aforementioned major suggestions.

The decisions reached on these proposals were?

1. General Clay agreed that in the reservations to be made by the Military Government at the time of signing the draft law it will be clearly provided that the Military Government and

not the German authorities will designate the bodies to serve as successors to the Jewish communities, foundations and other Jewish organizations and also the organizations to act as successors for the Jews who died leaving no heirs. He stated that he would want the trustee for Jewish interests to be a Jewish organization representing Jews throughout the world. Such a trustee would be allowed to make restitution claims before the tribunals in Germany on behalf of Jews and Jewish organizations.

2. With reference to the composition of the restitution tribunals, General Clay declared that he was unable to get sufficient American or Allied personnel to staff the courts. Instead, he agreed to the designation of American personnel as proctor in the courts, with the duty of reviewing the action taken by the courts and of reporting to the appellate courts and the Military Government his views on the functioning of the courts.

3. General Clay agreed that the law should contain a provision to the effect that nothing therein should in any way prejudice any claims for damages against the German state and other authorities to be contained in any future indemnification law, including claims for damages unprovided for or not guaranteed in practice under the present law.

4. The General promised that Article 11 would be re-written so as to provide that money and bearer instruments shall be subject to restitution unless the present holder can prove that

he acquired them without any knowledge of the fact of Nazi confiscation.

5. General Clay also agreed that the law may contain a reservation that future quadripartite laws may allocate properties seized from the German state and the Nazis for payment of restitution claims of Jews whose property cannot be found or, if found, is destroyed or substantially damaged.

On the basis of this agreement, a memorandum summarizing their final proposals was submitted by the Jewish organizations to Secretary of State Byrnes and General Clay. The memorandum maintains the suggestion that Military Government Appeals Boards should have jurisdiction to review cases both on the facts and the law, on the basis of proctors' reports and otherwise. It also stresses the principle that in no case shall the German state treasury be deemed an appropriate successor and no property subject to restitution under the law shall escheat to the German state. Decision on the whole of these final proposals is still pending.

The exact determination of the character and composition of the successor organizations is subject to further negotiation between the American authorities and the Jewish organizations.

C. Prospects for General Indemnification Law

The position of the United States authorities on the enactment of a general indemnification law providing damages in situations in which the proposed restitution bill allows no damages,

including those for injuries to life, health and freedom, is that United States leadership in advancing such legislation is desirable. However, it is felt that a law of this complicated nature should be dealt with only on a quadripartite basis, after a united financial program is adopted and a central governmental authority is established for all Germany. The prospects of such legislation, therefore, must be considered uncertain for the time being.

D. Custody of Religious and Cultural Objects

The American Jewish Committee endorsed the proposal of the Commission on European Jewish Cultural Reconstruction relative to the formation of a membership corporation consisting of representatives of eight major Jewish organizations, including the American Jewish Committee, to take over, administer and put to proper use Jewish cultural and religious objects now in the custody of the United States Military Government.

The sponsoring organizations were informed by the Property Control Board of the Office of Military Government that, as a general rule, property in Germany cannot be taken over by any organ which is not related to the Military Government. There is hope, however, for finding a satisfactory solution to this problem under the expected amendment to the pending restitution law. Under this amendment, a Jewish successor organization will be designated by the Military Government to act as successors for Jews who have died without leaving heirs and for Jewish communities and foundations and other Jewish bodies in Germany. It is likely that this organization will

be authorized to take over unclaimed cultural property as well.

III. British, Russian and French Zones of Germany

In the British zone, either by voluntary agreement or otherwise, there has been no actual restitution of looted property. No restitution measure has been drafted and nothing definite has been formulated on the subject of indemnification. It has been reported, however, that the British military authorities are waiting for a decision on a quadripartite level on certain views on property restitution submitted by Britain. It seems justifiable to assume that the unification of the American and British zones of occupation sooner or later will bring about the adoption by the British of the American policy of restitution.

According to reports by representatives of Jewish organizations in the Russian zone, all looted property has been retained in Russian custodianship. Some of the property has, in fact, been restituted but only to the limited number of Jews living in the Russian zone. According to these sources, no decision has been made with regard to claimants residing outside the zone. There has been no crystallization of thinking on the subject of indemnification but the problem is certainly connected with the Soviet approach to the question of reparations. On July 10, 1946, The New York Times reported that emigrants from the Russian zone also may submit claims on property restitution to the various German Land governments within the Soviet zone.

In the French zone, no restitution has in fact been made but the French authorities are prepared to plan for both restitution and indemnification for Jews. They are thinking in terms of using German tribunals for both purposes.

IV. Austria

On May 10, 1945, the government of Austria decreed that all property - including property of natural and juridical persons - situated within the confines of the republic and taken over by the German Reich or its subjects, "is to be secured as Austrian property" and registered as such.

A year later, on May 15, 1946, a federal law was enacted declaring null and void all transfers of property made during the German occupation of Austria and effected for the purpose of penetrating Austria economically and politically.

The legal implementation of an actual policy of property restitution in Austria was delayed until October, 1946. Until that date, the federal government, and notably the People's Party of Chancellor Figl, displayed extreme reluctance to do justice to the task of restoring Jewish property rights in Austria.

At long last, the first restitution law of September 10, 1946 (published October 13, 1946) was enacted. Postponing action on property held by private possessors, the law provided solely and exclusively for the restitution of property previously seized.

as well as for their completion with regard to heirless property and general indemnification.

The key to this situation seems to be France where restitution proceedings are extremely slow and where all the aforementioned legislative shortcomings prevail. It is legitimate to assume that definite improvement in these matters in France would favorably influence the attitude of other Western European governments on this problem.

XIV. Conclusions and Proposals

The foregoing survey indicates that the following major objectives and policies should be pursued by the American Jewish Committee with respect to property restitution:

Germany

In connection with the proposed restitution law, further negotiations are needed on the composition and jurisdiction of these successor organizations.

Permanent attention will have to be attached to future possibilities of transfer abroad of proceeds of restituted property.

In collaboration with British and French Jewish organizations, steps will have to be taken for the acceleration of legislative measures on property restitution in the British and French zones of occupation.

Steps should be taken to solve the problem of a Jewish trusteeship for Jewish cultural and religious objects now in the custody of the United States military authorities within the framework of the planned Jewish successor organizations to be designated as trustees for Jewish heirless and communal property.

Austria

The occasion of the forthcoming enactment of a restitution law in the American zone in Germany should be fully utilized for obtaining satisfactory legislation on restitution in Austria.

Rumania and Hungary

The execution of the provisions of the treaties of peace on property restitution and on the utilization of heirless property in these countries will have to be subject to continuous observation.

Should representative Hungarian and Rumanian Jewish organizations express dissatisfaction with the execution of these clauses by their governments, their appeals to the local Councils of Ambassadors and to the Commissions of Three will have to be supported on their merits.

General

The rate of progress in the rehabilitation of Jewish life is directly dependent upon the extent to which the restitution of property to its rightful owners is effected. It is recognized that changes in the economic position and in the social structure

of individual countries have a direct bearing on the problem of property restitution and that in most European countries widespread opposition to restitution has developed. However, the compelling need of the Jewish populations of all European countries imposes upon American Jewry the duty to advocate further vigorous progress both in the domain of restitution legislation and in that of actual fulfillment in all countries where such legislation or fulfillment falls short of the equitable requirements of Jewish rehabilitation.

Restitution General

6/14/46

A C C O R D

SUR UN PLAN POUR L'ALLOCATION D'UNE PART DE REPARATIONS

AUX VICTIMES NON RAPATRIABLES DE L'ACTION ALLEMANDE

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ACCORD SUR UN PLAN

POUR L'ALLOCATION D'UNE PART DE REPARATIONS AUX
VICTIMES NON-RAPATRIABLES DE L'ACTION ALLEMANDE

Conformément aux dispositions de l'Article 8 de l'Acte Final de la Conférence de Paris sur les Réparations, les Gouvernements des Etats-Unis d'Amérique, de la France, du Royaume-Uni, de la Tchécoslovaquie et de la Yougoslavie, après avoir consulté le Comité inter-gouvernemental pour les Réfugiés, ont élaboré, d'un commun accord, les dispositions suivantes relatives à un programme tendant à assister et réinstaller les victimes non-rapatribles de l'action allemande.

En élaborant ce programme, les Puissances signataires se sont inspirées des intentions de l'Article 8, et la procédure exposée ci-dessous est fondée sur les termes de ce dernier.

Tenant compte des conditions particulières et pressantes, la somme de \$ 25.000.000, rendue disponible par les Gouvernements alliés, par priorité sur le produit de la liquidation des avoirs allemands dans les pays neutres, est mise à la disposition du Comité inter-gouvernemental pour les Réfugiés, ou de l'organisme qui lui succédera, en vue de sa répartition parmi les oeuvres compétentes de caractère public ou privé, aussitôt qu'elles auront soumis des programmes praticables, conformément à cet accord.

A. - Après décision unanime des cinq Puissances, et compte tenu du paragraphe 2 de l'Article 8 de l'Accord de Paris sur les Réparations, les avoirs qui auront été rendus disponibles devront servir, non pas à secourir des victimes individuelles, mais à assister et à réinstaller les personnes appartenant aux catégories prévues, et les dépenses d'assistance devront être considérées essentiellement comme une mise de fonds préparatoire à la réinstallation.

Etant donné que toutes les statistiques existantes indiquent d'une manière indubitable que l'immense majorité des ayants-droit visés par l'Article 8 sont Israélites, tous les avoirs, à l'exception de ceux qui sont stipulés au paragraphe B ci-dessous, sont alloués à l'assistance et à la réinstallation des catégories prévues d'Israélites, victimes de l'action nazie, parmi lesquels les enfants recevront une assistance préférentielle.

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Les catégories prévues d'Israélites victimes de l'action nazie sont, soit les réfugiés d'Allemagne ou d'Autriche qui ne veulent pas être rapatriés, soit les Israélites allemands ou autrichiens résidant actuellement en Allemagne ou en Autriche qui veulent émigrer, soit les Israélites ressortissants ou anciens ressortissants de pays ayant été occupés, et qui ont été victimes des camps de concentration nazis ou des camps de concentration établis par des régimes sous l'influence nazie.

B. - La somme de \$ 2.500.000, représentant 10 % de la somme prioritaire de \$ 25.000.000 fournie par les avoirs allemands dans les pays neutres, les 10 % du produit de l'or non-monnaire et les 5 % des "successions en déshérence", seront gérés par le Comité intergouvernemental pour les Réfugiés, ou l'organisation qui lui succédera, par l'entremise d'oeuvres compétentes, de caractère public ou privé, pour l'assistance et la réinstallation des non-Israélites, relativement peu nombreux, victimes de l'action nazie, qui ont besoin d'être réinstallés.

Les ayants-droit non-Israélites, victimes de l'action nazie, sont les réfugiés d'Allemagne et d'Autriche qui peuvent prouver qu'ils ont été persécutés par les nazis pour des motifs religieux, politiques ou raciaux, et qui ne veulent pas être rapatriés, ou des ressortissants allemands et autrichiens, pareillement persécutés, qui désirent émigrer.

C. - Le Directeur du Comité inter-gouvernemental pour les Réfugiés, ou le Directeur Général de l'organisation qui lui succédera, libérera, en vertu du mandat qui découle du présent Accord, les fonds destinés à la mise en oeuvre de programmes soumis par les oeuvres compétentes dont il est fait mention aux paragraphes A et B ci-dessus, aussitôt qu'il se sera assuré que les programmes sont compatibles avec ce qui précède.

Ce n'est que dans des circonstances exceptionnelles que le coût du plan d'établissement pourra dépasser un maximum de \$ 1.000 par personne adulte et de \$ 2.500 par enfant de moins de 12 ans. Le Comité inter-gouvernemental pour les Réfugiés, ou l'organisation qui lui succédera, devra s'inspirer, dans son action, du sens de l'Article 8 du présent Accord qui doit mettre en oeuvre le plus tôt possible les plans praticables d'assistance et de réinstallation soumis par les oeuvres compétentes.

D. - Outre la somme de \$ 25.000.000, le Comité intergouvernemental pour les Réfugiés, ou l'organisation qui lui succédera, est autorisé, par le présent Accord, à recevoir des autorités compétentes tout "l'or non-monnaire" trouvé par les Alliés en Allemagne et à entreprendre telles démarches qui se révéleraient nécessaires en vue de liquider lesdits avoirs aussi rapidement que possible, étant entendu que les précautions nécessaires seront prises pour obtenir la valeur de réalisation la plus haute possible. - Lorsque ces avoirs auront été liquidés, les fonds seront distribués, conformément aux paragraphes A et B ci-dessus.

E. - En outre, conformément aux paragraphes C et E de l'Article 8, et dans l'intérêt de la justice, le Gouvernement français fera, au nom des cinq Gouvernements qui ont conclu cet Accord, une démarche auprès des Puissances neutres, pour obtenir remise de tous les avoirs ayant appartenu à des victimes de l'action nazie mortes sans héritiers. Les Gouvernements des Etats-Unis d'Amérique, du Royaume-Uni, de Tchécoslovaquie et de Yougoslavie s'associeront au Gouvernement français, en faisant cette démarche auprès des Puissances neutres.

La décision de consacrer 95 % des "successions en déshérence" ainsi rendues disponibles à l'assistance et à la réinstallation de victimes israélites a été prise en raison du fait que l'immense majorité de ces fonds ont une origine israélite, et les 5 % consacrés aux victimes non-israélites l'ont été sur l'estimation libéralement faite de l'importance des "successions en déshérence" d'origine non-israélite.

Les "successions en déshérence" employées à l'assistance et à la réinstallation des victimes israélites de l'action nazie seront mises à la disposition des oeuvres compétentes. Les "successions en déshérence" employées à l'assistance et à la réinstallation des victimes non-israélites de l'action nazie seront mises à la disposition du Comité intergouvernemental pour les Réfugiés, ou de l'organisation qui lui succédera, à charge par ce dernier de les distribuer aux oeuvres publiques ou privées compétentes.

En faisant cette démarche commune, les signataires prient les pays neutres de faire toutes les démarches nécessaires en vue de faciliter l'identification, la collecte et la distribution de ces avoirs qui sont le résultat d'une situation unique dans la morale et le droit internationaux.

Si de nouvelles démarches se révèlent nécessaires, les Gouvernements des Etats-Unis d'Amérique, de France et du Royaume-Uni poursuivront l'action nécessaire au nom des Puissances signataires.

F. - En vue d'obtenir que les fonds rendus disponibles soient utilisés dans des conditions permettant d'assurer le plus d'avantages possibles aux victimes à assister, ces fonds demeureront comptabilisés dans la monnaie du pays où ils se trouvent. Ils seront ensuite transférés, seulement sur instructions de l'oeuvre à laquelle le Comité inter-gouvernemental pour les Réfugiés aura alloué lesdits fonds en vue de les dépenser.

G. - Le Directeur du Comité inter-gouvernemental pour les Réfugiés sera responsable de l'exécution du présent Accord à l'égard des cinq Gouvernements, en conformité avec les termes de la lettre d'instructions qui lui sera transmise par le Gouvernement français au nom des Gouvernements signataires du présent Accord.

En foi de quoi, les soussignés ont signé le présent Accord.

Fait à Paris le 14 juin 1946, en langues anglaise et française, les deux textes faisant également foi, en un exemplaire unique qui sera conservé dans les archives du Gouvernement de la République française, lequel Gouvernement remettra copie conforme de ce texte à chacun des Gouvernements.

Le Délégué des Etats-Unis d'Amérique :

Eli GINZBERG

Le Délégué de Tchécoslovaquie :

J.V. KLIVANA

Le Délégué de la France :

Philippe PERIER

Le Délégué de Yougoslavie :

M.D. JAKSIC

Le Délégué du Royaume-Uni, de Grande-Bretagne et de l'Irlande du Nord :

Douglas MacKILLOP.

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ANNEXE

A L'ACCORD SUR UN PLAN POUR L'ALLOCATION D'UNE PART
DE REPARATIONS AUX VICTIMES NON RAPATRIABLES DE L'ACTION ALLEMANDE

Déclaration des Délégués tchécoslovaque et yougoslave

En acceptant la formule du paragraphe E de l'Accord, les Délégués tchécoslovaque et yougoslave ont déclaré que la République de Tchécoslovaquie et la République de Yougoslavie n'ont pas renoncé, par cette acceptation, aux héritages éventuels visés appartenant, d'après les dispositions de droit international, à leurs Etats respectifs ./.

Paris, le 14 juin 1946

Le Délégué tchécoslovaque :

J.V.KLVANA

Le Délégué yougoslave :

M.D. JAKSIC

OGC/REP/21

Paris Letter # 2376

CONFIDENTIAL

February 16, 1949

To : AJDC - NEW YORK - Att. Mr. Eli Rock
From : AJDC - PARIS - Office of General Counsel
Re : OGC/REP/21 - Hungarian Gold Train

Pursuant to our letter #2148 of December 30, 1948 we wish to inform you that on February 8, 1949 a former official of the Hungarian Ministry of Finances called on our Office and gave us some additional information re the part of the Hungarian Gold Train returned to Hungary by the French Government.

We attach herewith a self explanatory notice for the file referring to this discussion, prepared by Dr. Friedmann.

If the big Jewish Organizations are interested to deal with this matter, then it seems to us that it should immediately be initiated. We are of the opinion that the big organizations should come to an agreement as to how they should proceed in this matter, particularly in order to avoid separate actions by the different Jewish organizations. We therefore suggest that you discuss this matter in a meeting of the 5 organizations and we believe that the first step to be taken should be an interview with the former Minister Nyarady in Switzerland and to try to get a copy of the agreement reached between the French and the Hungarian Governments. Please let us know the decision of the 5 Organizations and whether you wish that we take further steps in this matter.

Dr. Kurt Wehle
Attorney

KW/ev

Incl.

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OGC/RSP/21

Notice for the file.

February 8, 1949.

RE: OGC/RSP/21 - Hungarian Gold Train.

A former official of the Hungarian ministry of finances, who at the end of the last year resigned and left Hungary, presented himself at this office with a letter of introduction from an officer of the US-mission in Austria, addressed to Mr. Joel H. Fisher.

According to his former position he dealt for a while officially with the matter of the Gold Train and gave to-day some information in the presence of Mr. Herbert Katski, Dr. Kurt Wehle and Dr. Andrew Friedmann. The contents of this information are the following:

- 1) The French Government returned in the spring of 1948 those values which were found in the zone occupied by France and which were part of the Gold Train, to Hungary. The question as to the returning of these assets was discussed by Mr. Miklos Nyarady - at that time Finance minister of Hungary - (who in the meantime resigned and is living now in Zurich Switzerland) and Monsieur Herve Alphand, General Director to Economical, Financial and Technical Affairs of the French Foreign Office.

Previously to this, the United States returned some assets to Hungary (never those of the Gold Train) and stipulated that these assets had to be returned to their original owners. The French Government also returned some assets, namely some machines, belonging to the Manfred Weiss factory and a quantity of textile material, stipulating their restitution to the original owners. On the occasion of returning part of the Gold Train, the main aim of the French Government was to show a certain good will and courtesy towards Hungary, whereas it was stipulating or at least intended to that French commercial firms and factories in Hungary should not be attacked and confiscated or damaged like US- and UK-firms have been. (These assets were returned to Hungary just at the time of the nationalization of Hungarian industries.)

Another aim of the French Government was, when concluding this agreement that the Hungarian state should support some French cultural institutions in Hungary. The original agreement itself was never seen by our visitor. He supposes that maybe there was a further condition or a secret clause that the returned assets had to be restituted to their original owners, nevertheless exclusively ex-minister Nyarady and M. Alphand are competent to give information as to this matter.

- 2) The idea of Dr. Goerzeg - the former chairman of JDC Hungary - was that these assets, especially jewels etc. if not identifiable should be sold at an auction in New York or somewhere abroad where a higher price could be obtained for them and the money resulting from this auction should be returned over to Hungarian Jewry.

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This idea was not welcome to Hungarian authorities.

- 3) About fifty employees of the Hungarian National Bank made an inventory of the returned assets during a six weeks period. This inventory presents a huge volume and is deposited with the Hungarian National Bank.

The assets included 2400 kilo gold, among them forty thousand wedding rings, further a number of jewels. Pictures and similar items were not found among these assets and it is not likely that cultural objects deriving from synagogues etc. of greater value should be among them.

Early in autumn of 1945 a special committee consisting of outstanding personalities decided upon the returning of these assets, ordering that those values which were still in original envelopes - i.e. in those in which they were deposited - had to be returned to their original owners. The assets in original envelopes consisted in about seventy kilo gold, and were generally assets deriving from two small towns in Hungary. All the other assets were stated as unidentifiable.

There was a proposal that at least the wedding rings should be returned to their original owners as the date, name and initials which are usually marked in the wedding rings, represented particulars enough, to give a possibility for trying to reconstitute them. The most competent representative of the Hungarian Government uttered his view that it had not to be found out how the gold of the Jews could be returned to them but how it could be taken away from them. The scrap gold, including the wedding rings and the jewels of minor importance, was melted and the whole assets - excluding the 70 kilo restituted to the original owners - were deposited with the Hungarian National Bank. The counter value of the gold at an official rate of 1 gram gold = 7 forints was credited on a special account.

- 4) The assets allegedly included 1 signet ring with an arrow cross and 1 golden chain with a swastika. The Hungarian Government was of the opinion that because these items were found with the valuables, it may be that other items likewise were non-Jewish in origin; in any event there was no evidence that these assets belonged exclusively to Hungarian Jews; they have simply to be considered as assets robbed from Hungary. The General Counsel to the Hungarian National Bank did not agree with this opinion and emphasized that maybe part of these assets are not of Jewish origin but in this case a certain percentage has to be stated which is likely to be of Jewish origin and this part or its equivalent has to be turned over to the Jewish fund. His point of view was not accepted.

Although both the Peace Treaty and the Hungarian law rules obliged the Hungarian state to reconstitute the heirless Jewish property to the Jewish fund, this has not been done so far and on the basis of the above said official standpoint it is very probable that it will never be done.

OGC/REP/21

Further the gold being already melted and as it is in Hungary forbidden to possess gold, the equivalent - in case it should be returned - would be returned at an official rate of seven forints, which for the time being constitutes 1/7 or 1/8 of the black market value.

- 5) The Hungarian Gold Train included also assets of Hungarian Jews, residing in such territories (Carpatho-Ukraine, Southern Slovakia, Transylvania, Batschka) which at the time of the deportation of Jews, belonged to Hungary and which territories belong now to the USSR, to CSR, to Roumania and to Yugoslavia. The Governments of these countries claim therefore an adequate part of these assets. It is likely that the Hungarian Government shall satisfy these claims, perhaps not by returning the assets themselves or their equivalents, but when settling some financial questions between Hungary and the aforesaid states, the value of these assets may be taken into account in some way.
- 6) Our visitor pointed out that should the Jewish Organizations wish to take any action in this matter, this should be done very urgently, as otherwise there could be some irreparable "fait accompli".

It seems especially urgent to know the precise contents of the agreement between ex-Minister Nyarady and Mr. Alphand.

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JAN 3, 1949

CGC/REPR

Hungary Reports

(Restitution) HUNG 10

MEMORANDUM

upon the actual status of Restitution to Jews in Hungary .

important

This Memorandum contains the most legal questions in connection with the restitution granted to Jews in Hungary. There is no doubt that since 1945 the Hungarian Government issued a great number of important legal rules which granted restitution of the former rights to Jews on a very large scale - at any rate, on a much larger one than in the major part of European countries dealing with similar problems.

On the other hand, it is obvious that the carrying out of these rules was and is not always satisfactory.

In the outlines we try to give in the following, we will emphasize rather the failures, mistakes and lacks in carrying out these regulations, supposing that this point of view serves more in deriving thereof ~~insufficient~~ efficient suggestions.

We will deal with:

1. Hungarian legal rules regarding restitution issued since 1945;
2. The relative measures of the Peace Treaty
3. The Jewish Fund and the Golden Train.

Ad 1.- Since the end of fascism in Hungary more than 100 different legal rules were issued regarding the restitution for Jews. We quote here the most important ones with special regard to the lacks and difficulties in their carrying out.

a) Decree 200/1945 M.E. - entitled the Jews to impugn the usurious and exploitat~~ing~~ contracts concluded by them, during the time of the so called "Jew laws". This decree and its amendments provided a relatively short deadline which has expired. The impugnement had to be done in the way of a civil lawsuit and was not free of fees which are in Hungary relatively high. - Above the value of 2,000 Forints there is a compulsory representation of an attorney in civil lawsuit. This increases the expenses to be advanced by the plaintiff. May we add that in Hungary the poor law is granted only to the most meanless people. In several cases the plaintiff obtained a formal success and was obliged to pay an adequate or revaluated amount to the defendant because of investments, etc, of the latter.

b) Decree 600/1945 M.E. - (later Act 1975 VI) provided the restitution of (agricultural) landed property confiscated from Jews during fascism. Nevertheless even the relative law rules and such more their practices made impossible this restitutions in cases where peasants or such people were in possession of these landed properties who themselves are entitled to get landed property according to the Hungarian land reform laws. In such cases the damaged Jew is entitled to get another landed property if he himself exercised agriculture professionally - if not he has to receive a fair compensation. In the practice the competent authorities do not recognize that the Jewish parties' profession is agriculture and even if they recognize it, the Jew scarcely gets another landed property owing to lack of landed property not yet distributed. On the other hand, no Jew got so far a penny of compensation of his in natura not restituted landed property. (It is true further that the land reform provided compensation to all those who were deprived of their landed property by the land reform

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and none of these people has got so far any compensation either).

c) Decree 7590/1945-M.E. provided the restitution of shops (premises) and stores. For introducing this action fees are to be paid and the judgement has to provide for the compensation of the investment of the possessor. These expenses as well as those mentioned under 1 a) are rather difficultly born by Jews returning from concentration camps, etc. A relatively short deadline was fixed also in these cases.

d) Decree 300/1946.M.E.-provides a special action for restitution of movables which were taken from Jews without their consent only in those cases where these movables are still physically existing. A great quantity of criminal actions was introduced because of thefts and misappropriation of Jewish goods. The most frequent variation was especially the one when a Jew gave some of his values to a Christian for hiding them and did not get them back under the pretext that war events or Russian soldiers etc ruined resp, robbed them. In consequence of the extremely great number of these criminal actions their dealing was slow and finally a general amnesty for nearly all crimes committed before 1946 prevented this action and discharged the guilty people from any criminal consequences.

e) Special decrees and rules provided that Jews get back their flats. In practice the claimant Jews did not get back their one room flats occupied by another person and if their flat consisted of more than one room, in many cases they did not get them back either in a way that the actually possessing party was expelled from them but the competent authority ordered different kinds of co-^o possession which in practice were not very successful.

f) Act 1946:XXV. provides to people inheriting after Jews deceased in connection with their persecution to be free from paying inheritance fees if the value of the asset is below 20,000 Forints. If the value is higher than 20,000 Ft., only 50% of these fees is to be paid. In practice the value of the immovables is estimated by the relative decrees and authorities much higher than their actual sales value. This refers of course not only to Jew property, but to every inheritance or transfer of property generally in Hungary.

g) There are a lot of other decrees providing restitution of the rights of Jews. F.i. restitution of special rights concerning tobacco sale, sale of alcohol, chemistries, revalidation of service contracts and severance pay, rehabilitation in criminal law, revalidation of citizenship, restitution in social insurance, rehabilitation in public administration. These rights were not fully restored, partly their coming out was to be considered as relatively satisfactory.

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Ad 2. All the rules enumerated above under ad 1. contain restitutive measures in some special fields of life and law. Anyway they do not contain the declaration of the liability of the Hungarian State for all what it had done during fascism with and to Jews, nor do they contain measures about the compensation to be paid by the Hungarian State therefor. The act 1946:XXV contains a solemn declaration upon the abomination of the persecutions of Jews exercised by the fascist Hungary and offers to them a full moral satisfaction. Anyway the material compensation was not offered nor granted, but by Art. 27 of the Peace Treaty which under special condition obliges the Hungarian State to a fair compensation and restitution of the damaged material rights and interests of the Jews.

- incorporated Although the Paris Peace Treaty is an important act of the Hungarian Corpus Juris since September 1947, no step whatsoever has been taken so far for

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nations and these ones did not get so far one penny either, but at least decrees have been issued ordering the compulsory declaration of these damages by the interested parties, prescribing deadlines hereto and provoking the impression that the Hungarian authorities are at least theoretically dealing with this matter. As to restitution granted to Jews in art. 27 of the Peace Treaty not even this ~~xxxx~~ has been done hitherto. - Certainly carrying out art. 27 of the Peace Treaty would be a very great and almost unbearable burden for Hungarian the Exchequer. Certainly it would not be popular at all. In Hungary the Christian population also was ruined and robbed out on a large scale by war events by a series of confiscations in connection with military measures by the invading Russian armies etc. Nobody got compensation for this and nobody has any hope to get it at any time. It would be rather impopular for the Hungarian Government as well as for the Jews to get compensation for their fortunes lost during fascism which they would have lost later by war events, Russians, etc., as well - at least this is the opinion of the non Jewish population which deplores anyhow an again increasing social and economic wealth of Jews.

d a) In Hungarian law, the State inherits if no other lawful successor is alive. In consequence of war events, deportation, etc., this rule suddenly became very actual. As to heirless Jewish property the Hungarian State waived this right in favor of the Hungarian Jewry. This was stated in act 1946:XXIV declaring also that heirless Jewish property is to be transferred to a special Jewish Fund constituting a special material source for compensation granted to Jews. In practice it seems that this Jewish Fund, the administration of which is existing since several months, is so far not yet in possession of those values which the above mentioned law is granting to it. It is possible that this is to explain with some delay in the liquidation of the Government Commissariate of heirless property, but there are rumours that the Jewish Fund possibly will not get in the future either all those values which Act 1946:XXIV is granting to be transferred to it.

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b) May we in this regard say some words about the so called Golden Train. After the occupation of Hungary by the German forces in the Spring 1944, Decree 1600/1944 M.E. obliged all the Jews in Hungary to deposit their values, (especially gold, jewels, etc), with some authorized banks. The attack of the Russian army against Hungary having become more menacing, these values were transferred in a special train from Hungary to Austria and Germany. The values which arrived in U.S. Zone were not yet restituted to Hungary. Values found in the French Zone were restituted by French authorities in the Spring 1948 to Hungary. There are some decrees treating these values and ordering that those be restituted to their lawful owners, a special committee deciding thereupon. In late Autumn 1948 it became obvious that only those will get back their property whose values happened to be still in the original envelope in which they were deposited and which wear the name of the original owner. This is per centually a very small share of the total. All the other party, i.e. these not in original envelopes seem to be officially declared as not identifiable and any evidence as to the identification and ownership of these values is totally excluded; the inventory of these cannot be inspected by anybody. There are rumours also that the Government decided not having seen proved that these values are especially Jewish ones to transfer them to the Hungarian National Bank and not to the Jewish Fund.

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JUNE 8, 1948

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IRO REGARDING HUNGARIAN TRAIN DISPOSITION LATTER EXPLAINED THEY WITHOUT
JURIDITION THIS MATTER BEING THE HUNGARIAN GOVERNMENT AND MAY BE
APPROACHING YOU STOP HUNGARIAN JEWISH COMMUNITY UNAPPROACHED JOINTFUND
THIS ISSUE RECENT PAST

BECKELMAN

MWB/dc
Western

337121

OGC/REP/21

June 10, 1948

World Jewish Congress,
Att: Mr. Nehemiah ROBINSON,
1834 Broadway,
NEW YORK 23.

Dear Mr. Robinson:

Re: OGC/REP/21
HUNGARIAN GOLD TRAIN

Further to our letter of May 20th, 1948, we regret to advise you that our efforts to get unofficial information on the above matter remained without success. For the time being we see no further possibility to get the information you requested.

With best regards,

Yours sincerely,

Dr. Kurt Wehle
Attorney

KW/efr

337122

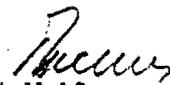
OGC/REP/21

June 4, 1948

NOTE FOR THE FILES

Re: Hungarian Gold Train - OGC/REP/21

Mr. Monneray informed me that he was not able to get the information requested by us. He, however, had the opportunity to see the depute director of the BCIRO office in Paris and to discuss with him this matter. He was advised to have us put before the PCIRO office an official inquiry. The Office would then be prepared to contact the PCIRO in Geneva and the French Authorities in order to clear up the situation.


Dr. Kurt Wehle

KW/efr

June 8, 1948

I have discussed this matter with Mr. Fisher and he agreed that no action had to be taken.



337123

Abba read to me a wire he received from Hyman Smollar, his representative in Washington, telling him that Hemmendinger reported that the French are going to protest the turnover to the IRO of the Hungarian Gold Train in the U.S. Zone of Austria, on the ground that such valuables are indistinguishable. Apparently the protest will take place after these valuables have left Austria. Hemmendinger suggested that the questions of "guarantees" was therefore very important and that the JDC and JA's refusal of the guarantees had been based on Fisher's opinion and therefore Hemmendinger suggested that Abba contact Fisher. I pointed out to Abba that as far as I knew we have never been asked to rule on guarantees for the Hungarian Gold Train but that in any event I thought that the views I had talked over and agreed with him as regards the guarantees for non-monetary gold turned over to us in Germany (contained in my letter to Leavitt dated 2nd August) also applied. I told Abba I would be glad to speak with him on the whole subject again, but that I would like to have a very good financial reason why we should give a "guarantee".

In connection with the possible French protest, I am not sure I can see why the French of all people should be protesting. It may be that they are basing their protest as one of the members of IARA but still this is not very clear. In any event I find it hard to believe that they will be protesting solely on the grounds that these non-monetary objects are identifiable.

Abba also reports that the IRO has received a letter from the French Government saying there are non-monetary assets in the French Zones of German and Austria. Abba has prepared a letter which Tuck signed telling the French that it is known that the Hungarian Gold Train contained such non-monetary assets. Of course throughout, it should always be kept in mind that Article 8 of the Final Act of the Paris Conference on Reparations

/ of

120 1163.2

of 21 December 1945 and the Five Powers Reparations Agreement of 14 June, 1946 speak only of non-monetary gold found in Germany, and not Austria. However, the French do not seem to have picked up the point.

Under present plans the entire Hungarian Gold Train in the U.S. Zone will sail on November 9th from Bremerhaven on an IRO ship, bound for New York. As yet, Abba has not settled the question of whether customs duties will have to be paid on entry of the ship into the U.S. although it can probably be arranged that the shipment stay at the free port in New York or in bond, until the matter can be cleared.

J.H.Fisher.
GENERAL COUNSEL.

JHF:af

c.c. Dr. J.J.Schwartz.
Mr. Moses A.Leavitt.

/over

337125

7 Ro 1141

File

October 19, 1948

Mr. Abba P. Schwartz
FCIRO
Palais Wilson
Geneva

Dear Abba,

Confirming our telephone conversation of this morning, I am sending you a copy of Sir Herbert Emerson's letter to me of March 6, 1947, about which you inquired. I do not think it adds anything material to the issue beyond the background information which I gave you over the phone. I think it boils down to this:

1. Sir Herbert Emerson took the position that once Reparations Funds became available, an organization like IGC, which was working with an extremely limited budget for transportation costs of refugees, (you will remember that UNHRA, which had a much larger budget, was debarred constitutionally from assisting emigration) could not, as a practice, overlook the existence of other special funds for one group of refugees. He therefore contended that so far as IGC was concerned, once AJDC came into possession of Reparations Funds, it would have to meet the bulk of the emigration costs for eligible refugees from these funds.

On the other hand, Sir Herbert accepted the force of our argument that IGC, as an international organization, could not take the position that it was refusing to assist one group of eligible refugees simply because it was aware that some other funds were available to them, when those funds had been specially created to take into account the persecution suffered and loss to which they had been subjected. Sir Herbert's letter of March 6th restates the compromise arrangement which was reached on this problem in the conversation which Dr. Schwartz and I had with Sir Herbert and Dr. Cullman.

2. In practice, however, no implementation was ever made of this agreement because Reparations Funds did not, in fact, become available until quite some time after IGC had gone out of existence. In practice, therefore, during the entire period up to June 30, 1948

AJDC continued to arrange for the transportation of eligible Jewish refugees and billed the cost of such movement to IGC. IGC paid to AJDC such amounts as it felt it could allocate from its limited funds for this purpose. Although the amount paid by IGC to AJDC was quite substantial, (I do not have the figures before me but can readily obtain them for you if this should become a material factor) AJDC's actual expenses for the movement of these people were substantially in excess of the amount recovered from IGC.

3. Sir Herbert Emerson did, in fact, approve an allocation of \$3,000,000 out of Reparations Funds, to be paid to AJDC and to be used by AJDC as a contribution towards the emigration costs of persons eligible for assistance from the Reparations Fund. This \$3,000,000, as you know, was applicable to the period June 14, 1946 to June 30, 1948. As you know, from the bills which we have submitted, this amount of money was actually spent by AJDC for the movement of people eligible to benefit from the Reparations Fund to countries of final destination in accordance with the intent of the Reparations Agreement. This allocation has now been exhausted, and the money has actually been used for the purposes for which it was designated.

I think the foregoing summarizes the position, but if there is any further material which you think would be further useful, I should be glad to get it together for you.

With all best wishes for a pleasant and interesting trip to Palestine and an equally safe return, I am

Sincerely yours,

MWB/ec
Enc.-1

M. W. Beckelman
Vice-Chairman

ידי שער וועלט קאנגרעס

WORLD JEWISH CONGRESS

הקונגרס היהודי העולמי

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TELEPHONE: CIRCLE 7-2917

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BRATISLAVA
Ulica. Jula, 71

BRUSSELS
109 rue de la Source

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Popa Rusu 30

BUDAPEST V
7 Wekerle Sandor Utca

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Corrientes 2024-9c

GENEVA
37 Quai Wilson

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Ialmgatan 26

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P. O. B. 1088

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59 Rua Alex. Herculano

LONDON, W.1
55, New Cavendish St.

MEXICO CITY
Calle de Cuba 81

MONTREAL
1121 St. Catherine St. W.

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Gjetemyrsveien 27

PARIS VIII
78 Av. des Ch. Elysees

PRAGUE V
Maislova 15

RIO DE JANEIRO
Rue de Rosario 77

ROME
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SHANGHAI
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SOFIA
Jewish Consistory

STOCKHOLM
Grev Magnigatan 11

SYDNEY
G. P. O. 1869K

VIENNA
Schottenring 25

New York, May 11, 1948

CGC 1389121

Dr. Kurt Wehle
c/o Am. Joint Distribution Committee
19, Rue de Téhéran
Paris 8-ème, France

Dear Mr. Wehle,

As you know, the French Government turned over recently to the Hungarian authorities the part of the so-called Hungarian Gold Train which was found in the French Zone of Austria.

Although it was assumed that this train contained exclusively Jewish assets, the Hungarian Government does not intend to simply retransfer them to the Hungarian Jewish Rehabilitation Fund; it contends that first of all it should be examined which values really belong to Jews. Obviously, it will not always be possible to find out the exact origin of the assets and in such cases it will depend much on the conditions on which the French portion of the gold train was turned over to the Hungarian Government.

I wonder whether the Joint in Paris is in possession of the protocols and minutes of the discussions between the French and Hungarian Governments relating to the transfer of the French portion of the Gold Train and whether you could obtain them. At any rate, I would appreciate greatly if you could give me as much as possible information concerning this matter.

Best regards,

Sincerely yours,

Nehemiah Robinson

NR:lk

337128

When replying

refer to.....

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

Received	APR 2 - 1948
Reg. No.	171
Assigned	MSC
Replied	
File	

CC-C/28/P1
AP/4

March 30th, 1948

Dr. Joshua Starr
c/o American Joint Distribution Committee
119 rue St. Dominique
Paris 7^e, France

Dear Dr. Starr:

Thank you very much for your letter of February 25, 1948 and please do forgive my delay in answering you. Actually it was only two days ago that I was able finally to discuss with Abba Schwartz the question of the synagogue property included in the Hungarian Gold Train.

According to Mr. Schwartz, it would be highly inadvisable to attempt to reclaim this property in Austria. In the first place, such a course of action might stir up again the whole question of the Hungarian Gold Train and the continuing attempts by the Hungarians to reclaim the property. Mr. Schwartz feels very strongly that this is a very delicate question and that in no event should the whole project be stirred up for the sake of this synagogue property. Secondly, it should also be pointed out that Jewish Cultural Reconstruction has no official standing in Austria and would therefore have great difficulty establishing its right and status to the satisfaction of the American authorities, for the purpose of receiving this property. While Jewish Cultural Reconstruction may have at least informal status in Germany today, as a result of the earlier conversations between your officers and General Clay, Mr. Schwartz points out that General Clay's jurisdiction in this respect would not apply to Austria.

As the simplest way for handling this problem, Mr. Schwartz is going to suggest to the State Department representatives in Washington that the synagogue property be moved from the warehouse in Salzburg where it is now located, to the collection of cultural property in Offenbach. Once this has been done, it should then be a relatively simple matter to reclaim the synagogue property together with the other cultural objects at Offenbach.

/over/

337129

CGC/REP/21

By way of accomplishing the above program, Mr. Schwartz is hopeful that his recommendations to the State Department will then be incorporated in a letter from State to General Clay, suggesting the same procedure. It will then be up to General Clay to approve these steps, something which Mr. Schwartz feels should not involve any great difficulties.

I should be grateful, of course, to hear from you on this matter, and if you feel that this procedure is wrong, please let me know as soon as possible.

Sincerely yours,

Eli Rock

ER:AU

cc. Prof. Baron
Joel Fisher
I. Mason

337130

JEWISH CULTURAL RECONSTRUCTION, INC.

1841 Broadway, New York 23, N. Y.

Cully Smith
Chas. Bess
Telephone Circle 1826

American Jewish Committee
American Jewish Conference
American Jewish Joint
Distribution Committee

Members of the Corporation
Board of Deputies of British Jews
Commission on European Jewish
Cultural Reconstruction
Council for the Protection of Rights and
Interests of Jews from Germany

The Hebrew University
Jewish Agency for Palestine
Synagogue Council of America
World Jewish Congress

Feb. 25, 1948

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Executive Secretary
JOSHUA STARR

Mr. Eli Rock
Joint Distribution Committee
270 Madison Av.
New York City

Dear Mr. Rock,

I have spent several days in Paris under the guidance of Joel Fisher and Z. Schuster of the American Jewish Committee. The stopover is proving valuable as well as congenial, and I am not at all impatient in regard to my military permit, which is due any day. I may indeed find it advisable to visit Prague before entering Germany.

I have learned that the Hungarian gold train contained synagogue equipment, regarding which Abba Schwartz is willing to talk but not to write. When I telephoned Geneva today, I found that he has left for the U.S. and will be away a month. It would be very helpful if you could see him and ascertain the contents of the material and its present whereabouts. I assume Schwartz can be reached through the IRO. If you obtain the information, please write me c/o AJDC, Paris, and send a copy to Prof. Baron at Columbia.

I am, of course, eager to know what progress is being made toward the recognition of the Restitution Commission, and will appreciate whatever you can tell me.

With cordial greetings,

Joshua Starr
Joshua Starr

Mr. Jack Todd - State Dept.
Throw into Offebach

*I discourage Starr from
going into Austria to
look into this.*

*Tell
Starr to
do this.*

337131

254
7R0 / 11 63.2

16 February, 1948

CONFIDENTIAL

To : AJEC NEW YORK
From : AJDC PARIS - Office of General Counsel.
Re : French action with regard to the Hungarian Gold Train

Attention: Mr. Eli Rock

We have heard certain rumours that the French government has either taken action, or plans to take action to return all the portion of the Hungarian Gold Train found in the French zone of Germany and Austria over to the Hungarian government with the understanding that the Hungarian government will use the property for the benefiting of Jewish refugees etc.

To date, we have not been able to obtain any information concerning these developments either here in Paris or from Abba Schwartz in Geneva.

Could you please check with Hamindinger, Surrey or any other interested persons in the State Department to determine whether or not the report is true and if so the exact nature of the French decision.

In the meantime we will keep checking here and will keep you informed of what we learn.

Joel H. Fisher

JHF:af

337132

1141

Reparations

PERSONAL

Hotel Des Bergues
Geneva.
PCIRO Meeting.

24th October 1947

Dear Moe,

I acknowledge receipt of your letters dated October 17th, concerning possible IRO responsibility of transportation of DPs to Palestine which I will keep in mind, and also your letter on the Swiss francs Reparations matter.

There are several developments in connection with the Reparations picture which I want to report to you.

1. The British have advised IRO they will turn over to them, non-monetary gold valued at between 400,000 and 1,000,000 dollars. They will turn over these assets in late November.
2. It is not expected that the ship bringing non-monetary gold assets from the Hungarian Gold Train will arrive in the U.S. before December 5th. Abba is arriving in the States on November 5th for the purpose of setting up a Liquidation Commission to receive, and to arrange to dispose of the non-monetary assets, so as to obtain the highest realization. Tuck has given Abba a list of his (Tuck's) friends, and suggests to Abba that the Commission be drawn from these people. I am assuming of course, that you will make sure that some of our friends are included. If our friends are also Tuck's friends, so much the better.
3. With reference to Surrey's conversation with you, concerning the 12½ million Swiss francs, I do want to make the following points -
 - a) Abba is now working under instructions from the Five Powers to collect 50 million Swiss francs and not 7½ million dollars worth. I realize that his instructions can be changed - but they have not yet been changed, and therefore he is continuing to proceed on the basis of 50 million Swiss francs. I might add that the PCIRO in its last meeting, passed a Resolution calling on the Swiss to turn over the 50 million Swiss francs.
 - b) With regard to the Portugese Escudos, I believe the situation has changed somewhat since you agreed to take them. I understand that the Escudo is having some trouble with the dollar and I think therefore that it will be difficult to transfer Escudos as we had previously planned. Abba states that he is very annoyed at your

/decision

337133

Reparations

decision to take Escudos, but I think his annoyance is prompted more because his pride was hurt by the fact that he was not consulted on what you did. In any event, he is busy steaming up the Jewish Agency Representative - Adler Rudals - that Portugese Escudos are not good, and that you have acted unilaterally. I am sure this is not the case, but I thought you would like to know.

c) I am quite aware of the political problems involved, but nevertheless I know the British people who are giving the orders in London, and I think there is a good chance that we wont have to accept Pesetos or more than a very token amount of Turkish pounds. I am sure you are insisting that we don't want these currensies, and I think it is most important to keep insisting.

4. I am not being light or frivolous when I say that I think we shall be very lucky if Abba managed to convert even 50% of the Kronor into sterling. B is very optimistic that he can manage on this 50% deal and I certainly hope he does. In any event, we have asked him for \$250,000 worth of Swedish Kronor and \$350,000 worth of French francs which he should be transferring to us shortly. Incidentally, in his letter advising us of the transfer, he will definitely state that this money is to be applied to the Reparations Bill beginning June 15th, 1946. As you know, this is a very important point.

In PREP/30 - the Report of the Executive Secretary - which I am sending to you under separate cover, the section on Reparations includes a statement that the Executive Secretary - "is offering assistance in renewing efforts to have legislation incorporated in the laws of the State of New York, similar to that which the Intergovernmental Committee for Refugees was instrumental in proposing in New York State in March, 1946". Abba explains that he put this in the report in order to be able to travel back to the U.S. in January.

I myself have considerable doubt as to whether the New York State realization should pass comment on this report. Under the Five Powers Agreement, only neutral countries are required to turn over heirless property and while they have been stalling, nonetheless, they will probably stall all the more now, saying that they have got to wait to see how the New York realization comes out. It is my understanding that the New York realization will take considerable time, and as soon as this matter has been put officially to the Commission, I think it is most important that you get Bernie Bernstein, Eli Rock and any other interested parties ready to move in the matter.

January is of course the beginning of the election year, and perhaps Dewy might be inclined to really push this one as a political matter.

Sincerely,

Joel H. Fisher.

Mr. Moses A. Leavitt,
79 Old Pond Road,
Great Neck,
Long Island, N.Y.
New York.

337134

120 116312

Hungarian
Gold Train

MEMORANDUM

20 November 1947

To: Dr. J.J. Schwartz
Mr. Joel Fisher

From: M.W. Beckelman

During the course of a conversation which Mr. Leavitt and I had in the State Department in Washington, several references were made to the repeated requests of the Hungarian Jewish community for the return of the Hungarian gold train. The State Department finds these requests embarrassing. Although they are prepared to accept the assurances of the JDC that the Hungarian Jewish community is making these requests only "for the record", they find it difficult to reconcile these assurances with the frequency with which the requests of the Hungarian Jewish community are repeated. The State Department apparently feels that it is not on very firm ground in denying these requests and would very much appreciate it if the JDC could find some way of satisfying the Hungarian Jewish community that the JDC's contributions were in effect a quid pro quo for the Hungarian gold train.

Mr. Leavitt has asked me to take up with you the possibility of devising some formula by which some portion of the funds which JDC is spending in Hungary could be earmarked in such a way as to be reasonably regarded as an equivalent for the proceeds of the gold train. Mr. Leavitt would be glad to have any suggestions on this matter which he can pass on to the State Department.

M.W. Beckelman

mwb:nc

337135

INCOMING CABLE

*Hungary
"Goldtrain"*

170 116B.2

COPY : SE

N° 12174

FROM : ~~SECRETARY~~ BUDAPEST

Sent : OCTOBER 27, 1947

TO : JOINTFUND PARIS

Rec : OCTOBER 28, 1947

VIA TSP

HAS/DVA OO 5/27 BUDAPEST 9106 129 27

TO OUR REGRET WE CANNOT APPROVE YOUR ANSWER TO OUR PREVIOUS AND LAST CLAIMS OF SEPTEMBER RELATING VALUES FOR GOLDTRAIN STOP WE UNCHANGED INSIST OUR ORIGINAL STANDPOINT REPEAT DLY EXPOSED THAT AUSTRIAN AND FRENCH VALUES OF HUNGARIAN GOLDTRAIN ARE LEGAL PROPERTY OF HUNGARIAN JEWRY STOP WE DEMAND EMPHATICALLY ANEW TO PLACE THE VALUES AT THE DISPOSAL OF HUNGARIAN JEWRY AND TO UNDERTAKE ALL STEPS NECESSITATED STOP AWAITING URGENT ANSWER THE STOP/SAME CABLE WE SENT TO YOUR NEWYORK OFFICE TOO STOP CENTRAL BOARD OF JEWS IN HUNGARY AND JEWISH REHABILITATION FUND LEWISSTOECKER PRESIDENT STOP CENTRAL BOARD TO GHE AUTHONOMOUS ORTHODOX COMMUNITY OF HUNGARY SAMUEL KAHAN PRESIDENT STOP COMMITTEE OF R COVERING OF JEWISH VALUES DR EMERY REINER PRESIDENT

Info : Katak
Fisher

X

337136

(RO 1163.2)

10 September, 1947

CONFIDENTIAL

Dear Mr. Leavitt,

In Mr. Fisher's absence I am forwarding herewith the two copies which he mentioned in his letter to you of the 6th September, 1947; one written by the Chairman Dr. Emery Reiner of the Committee for the Repatriation of Abducted Properties, and the other from the Central Board of Jews in Hungary to the State Department Washington.

Yours sincerely,

Joel H. Fisher.
GENERAL COUNSEL.

af:

Encl: (2)

337137

Box 25C

250 / 1163.2
190

1156/10

Reparations

CONFIDENTIAL

6 September, 1947

Dear Moe,

We have received another letter from the Board of Jews in Hungary asking us to turn over the contents of the Hungarian "Gold Train" to them, and also asking us for an inventory of what has been found in the U.S. Zone. They also enclosed a copy of a letter they have written to the State Department. I am having these letters copied and will send them along to you together with a copy of Moe Beekelman's letter dated 1st May, 1947. In order to keep you currently advised, I am enclosing herewith for your information, a copy of our reply which went out today and which Paeky approved.

In connection with our research on Reparations guarantees which I mentioned in the last paragraph of my letter to you of August 2nd, we have also looked into the question of possible liability which JDC might have for taking the proceeds from the sale of the "Gold Train". You may be interested in the following brief statement of our conclusions.

It is our opinion that the action of the U.S. Government in turning over the "Gold Train" to IGC/IRC can not be supported by the provisions of Article 8 of the Final Act of the Paris Conference on Reparations of 21 December, 1945 and the 5 Power Agreement of 14 June, 1946 which apply only to non-monetary gold, "found by the allied armed forces in Germany".¹ (Underlining supplied). We believe however, that it can be supported by the terms of the first paragraph of Article 29 of the Hungarian Peace Treaty² which provides as follows:-

"Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests which at the coming into force of the present Treaty are within its territory and belong to Hungary or to Hungarian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Hungary or Hungarian nationals, including debts, other than claims fully satisfied under other Articles of the present Treaty. All Hungarian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned." (Underlining supplied).

/It is

1. Article 8 Para.A - Final Act of Paris Conference on Reparations 21 December, 1945; See also; Para.D. 5 Power Agreement, Paris 14 June, 1946.
2. Texts for Signature in Paris on 10th February, 1947.

337138

1163.2

5 September, 1947.

Dr. Emery Reiner,
Legal Adviser, Vice President of the
Autonomous Orthodox Israelitic Central
Board of Jews in Hungary,
BUDAPEST, VI. Csengeri-U.61.

Dear Mr. Reiner,

May I refer to your letter of the 29th July, 1947 in which you replied to our letter of the 1st May, 1947 on the subject of the contents of the Hungarian "Gold Train"? We have studied the several points you make in your letter and have given them careful consideration. We have also given careful consideration to your letter dated 7th July, 1947 addressed to the U.S. State Department in Washington, a copy of which you enclosed with your communication.

Perhaps it is best to state the role of the American Joint Distribution Committee with respect to the contents of the non-monetary valuables including the Hungarian "Gold Train". As you were informed in the letter dated 14th May 1947 from the U.S. Legation in Budapest (which is quoted in your letter of the 7th July, 1947 to the State Department) the Commanding General U.S. Forces in Austria, with the approval of the U.S. State Department, has turned over to the Intergovernmental Committee on Refugees (I.G.C.R.) those portions of the "Gold Train" found in the U.S. Zone of Austria, to be disposed of by the I.G.C.R. in accordance with the terms of the 5 Power Agreement of June 14th 1946 which in turn implemented the provisions of Article VIII of the Final Act of the Paris Conference on Reparations of 21st December 1945. Under the terms and provisions of the 5 Power Agreement and according to the Letter of Instruction the Director of the I.G.C.R. and the Director General of its successor organization were directed to receive various non-monetary assets, sell them and use the funds for the two following purposes only:-

- a) Final resettlement of non-repatriable victims of Nazi action, and
- b) Rehabilitation as essential preparatory outlays to final resettlement.

/Because

L. Paragraph A 5 Power Agreement 14 June, 1946.

337139

120 116302
Sept 5, 1947
To: EMERY REINER

Because of the fact that the 5 Power recognised that the Jewish non-repatriable victims of Nazi action constitute the overwhelming majority of persons for whom these funds should be spent, the 5 Powers instructed the Director of the I.G.C.R. and the Director of its successor organization to spend 90% of the proceeds from the liquidation of such monetary assets in accordance with resettlement and rehabilitation projects which would be submitted by the A.J.D.C. and the J.A. for Palestine².

You will note from the above procedure that the A.J.D.C. has no function or interest with respect to the non-monetary assets until such time as they have been sold and funds are available. At such time, the A.J.D.C. and the J.A. for Palestine will spend 90% of the proceeds for the resettlement and rehabilitation of non-repatriable Jewish victims of German action, in accordance with approved projects.

Under the above stated arrangement, we cannot agree with your statement that "disposition over Hungarian Jewish valuables was granted by the United Nations" to the A.J.D.C. and the J.A. for Palestine. Disposition of these assets are granted to the Director of the I.G.C. and the Director General of its successor organization. Our role is only with respect to the proceeds of the liquidation of these assets and here again we are not free agents to do as we will. We must submit projects only for the above stated purposes of resettlement and rehabilitation in connection with resettlement.

We must also say that we do not know and therefore are not in a position to furnish you with an inventory of the properties in question and with information concerning their values. Only the I.G.C.R. or its successor organization is in a position to furnish you with this information but we must point out that they are bound by the terms of the 5 Power Agreement and are not obliged to reveal this information.

Yours sincerely,

Joel H. Fisher.
GENERAL COUNSEL.

JHF:af

-
2. Paragraph A.5 Power Agreement 14 June, 1946.
Paragraph 3. Letter of Instruction of 5 Powers to Director of the I.G.C.R. or Director General of its successor Organisation dated 21 June, 1946.

337140

Report

1RO 1163.2

Sept 6, 1947
To Not

It is our opinion that the expression "within its territory" can be construed to mean territory of the U.S. of the Allied and associated nations and in addition territories occupied by their armed forces. In this case the portions of the Hungarian "Gold Train" which were found in the U.S. Zone of Austria were found in territory occupied by the forces of an allied power - the U.S. Forces.

We also believe that even assuming the action of the U.S. Government can not be supported by the provisions of this Article it can still be argued - although somewhat weakly - that the J.D.C. is not liable for the proceeds it receives from the sale of the Hungarian "Gold Train" because it would have acted in bona fides in assuming that the action of the U.S. Government in turning over, to the IRO in receiving the valuables were valid and legal acts - particularly in view of the above cited provision of the Peace Treaty.

I hope you understand that we are not trying to stir up trouble by looking into the legal basis for the turnover of these valuables, but it came up in connection with the guarantee problem and we thought that you would like to have the information - just in case the matter ever is raised with you.

With best wishes to you ^{your daughter} and Eanny from Mary Jane and myself for a very happy, healthy and prosperous New Year.

Sincerely,

Joel H. Fisher.
GENERAL COUNSEL

JHF:af

Mr. Moses A. Beavitt,
Executive Vice-Chairman,
A. J. D. C.,
270 Madison Avenue,
New York 16, N.Y.

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not non-gold
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Reparation

2 August, 1947

Dear Moe,

I have your letter of July 14th to Moe Beckelman on the question of "guarantees" to be given by JDC and JA for making good valid claims against certain non-monetary assets, the proceeds for the sale of which might be turned over to us.

After going into the problem with Abba Schwartz and talking with him at some length, we have both come to the conclusion that for the time being, nothing should be done in the way of putting up a guarantee of any type, shape or form. At present and until more facts are known, a guarantee would serve only to confuse and get us into possibilities of legal hot water without any foreseeable benefit.

The U.S. Army is presumably turning over to the IRO all of the non-monetary gold in Austria, (including the Hungarian Gold Train) which they have and which has not been stolen by individuals. As regards non-monetary gold in Germany, here again IRO is apparently getting everything which is clearly definable as non-monetary gold. For us to come forward and give guarantees with respect to claims which might be lodged against these assets would be ill advised. We will receive the proceeds from the sale of these assets without any strings attached and why should we start attaching strings for ourselves; from your letter I'm sure you agree.

The only problems arise with respect to three other types of property in Germany, (the problem does not arise in Austria) which the Army is now considering turning over as non-monetary gold. First there is a certain amount of currency which has been found including U.S. dollars. Second, a certain amount of securities, most of which are bearer negotiable instruments, and finally the contents of various safe deposit boxes which still bear owner's names and which contain types of non-monetary gold, e.g. bracelets, watches, etc. If the Army turns over currency and securities to us, obviously the currency and negotiable instruments cannot be identified and therefore a guarantee would serve no useful purpose to the Army or anyone else. The contents of the safe deposit boxes present a different question however. Here I can see that the Army and State Department might want some type of guarantee. However, with regard to this type of property, Abba has

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M.A. Gold

not yet learned the amount and value of the property involved and whether in any circumstances the Army in Germany would turn over the property. Abba is going to Frankfurt this week trying to find out what the value is. Meanwhile he and I agree that there is no need to write any guarantees until we know what we are guaranteeing. If it is found that property of the safe deposit boxes is very valuable and if also the Army will not turn over this property without receiving some type of guarantee, then perhaps some type of guarantee should be given.

I do also want to comment briefly on the two procedures you suggested for each in your letter - I can see objections to both of them. First as far as the board is concerned, I think the establishment of the board with regular rules of procedure would be an open invitation to people to at least try to establish claims against JDC and JA. As far as statutes of limitation (time limit for filing restitution claims) we have done a bit of legal research on liability of the Army and it is our conclusion that at least as far as Germany is concerned, the Army is not liable for having transferred property to the I.R.O. - even if it turns out to be identifiable. First of all, nobody sues the U.S. Army without its permission, secondly, assuming it would grant permission to be sued, it would have a perfect defence in that it acted under authority of international law - the IARA Agreement and the 5 Power Agreement. We also feel that in any event the JDC would not be liable for receiving proceeds of the sale of various assets if we can prove our own bona fides. Throughout this whole question, I think it is most important to bear in mind that if we give guarantee for one particular type of monetary assets, it may well be that we are throwing open the question of our bona fides in receiving proceeds from the sale of all non-monetary assets. These are complicated legal points and ones which we are going into further. However, this whole discussion is academic in view of my suggestion above to take no action by way of "guarantee" until we know what the facts about the safe deposit boxes are.

Sincerely,

Joel H. Fisher
GENERAL COUNSEL.

Mr. Moses A. Leavitt,
Executive Vice-Chairman,
A.J.D.C.,
270 Madison Avenue,
New York 16, N.Y.

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DRAFT LETTER TO MR. M. LEAVITT, AJDC, NEW YORK.

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I am referring to the last paragraph of your letter to Mr. Beckelman of July 14, 1947.

Property handed over to IRO as "non monetary" gold might have belonged to Germans, ~~a~~ stateless persons, to ex-enemy nationals, or to nationals of the Allied Nations - either those who are parties to the Final Act or those who are not. Claimant to such property might, ~~therefore~~, be the previous owner himself or his beneficiary who again may belong to either of the aforementioned groups. The claimant may be living in Germany, in Allied, ex-enemy or ex-neutral territory.

The title a person might have to gold handed over as non-monetary gold will be influenced by the fact to which group of persons he or she belongs, and furthermore by the fact when the person concerned might have left ex-enemy territory, entered Allied territory and might have become a national of an Allied Nation. I will try to examine the special legal position with regard to these different groups of persons in a memorandum which I am preparing on the problem.

In the meantime I am disregarding these details when examining the legal position with regard to:

- (A) non-monetary gold found in Germany,
- (B) the Hungarian gold train

A) NON-MONETARY GOLD FOUND IN GERMANY

(1) Facts

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- (a) Non-monetary gold found in Germany has been acquired by the Occupying Powers by an Act of State, and it will be handed over to IRO under International Law (Article 8, Para. A Final Act). IRO will distribute the proceeds of such non-monetary gold "through" the JCINT and

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letter of the Chairman of the Inter-Allied Reparation Agency dated
21st June 1946.*

- (b) A claim to property disposed of in accordance with the Final Act will be based on the fact that the claimant is the owner of such property or his beneficiary.
- (c) Such property has been taken from the owner by seizure or under duress either in Germany or outside Germany.
- (d) Transfer of the properties from the owner will have been invalidated either by municipal legislation in the country where the property came from, or by future restitution legislation in Germany.

(2) Conclusion

- (a) The question whether a person has a claim at all will first have to be answered according to the law of the country where the property comes from. Under the law of almost all continental countries such a claim is a "rei vindicatio" (action in rem). Such an action presupposes the identifiability of the property concerned. It can be directed only against the possessor or former possessor of such property but not against the person who has bona fide received the proceeds of such property sold by the possessor. Consequently, the Jewish Agency and the JOLNI will not be possessors of the property concerned but only receive the proceeds of such property. Under circumstances which constitute bonam fidem they will not be liable to claims as in question. If property is handed over to them which the Army, Military Government, or IRO treat as "non-monetary" gold, bona fides cannot be denied to the voluntary agencies. 337145

- (b) IRO which will be possessor of non-monetary gold cannot be sued in countries where it has diplomatic immunities and privileges. Where it can be sued it can plead acquisition of the property concerned under international law

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as non-monetary gold is concerned.

- (c) Not having the necessary authorities and books at hand on American law I cannot state definitely whether Mil. Gov. and the Army can be sued at all. In case they can be sued they can plead acquisition by an Act of State and transfer under international law as far as non-monetary gold is concerned.
- (d) The term "non-monetary gold" has not been defined in the Final Act. It is obvious, however, that it does not include all non-monetary gold found in Germany but only non-monetary gold which, when found, was in the possession of the Reich, or the Party, or of one of their agencies. Considering, ~~however~~, the Annex to the Final Act, Resolution 1 (b) it has to be assumed that identifiable gold is not to be considered as non-monetary gold.
- (e) If, therefore, identifiable gold (jewellery) is handed over to IRO and the proceeds thereof to the voluntary agencies, there will be no claim against the voluntary agencies, If the Army, or more probably the American Government, can be sued at all, they will be liable for the return of property or for the payment of its value, if
 - (i) the property concerned is not to be classified as non-monetary gold (identifiable),
 - (ii) the claimant can identify the property, and
 - (iii) prove his title under the law of the country where the property comes from and where it is not excluded by a waiver under international law.

(3) Recommendations

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I, therefore, suggest that

- (a) the question be examined whether the American Government (Army) can be

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(b) If the Army insists on legal protection no machinery should be set up which in itself would establish or might be taken as establishing a claim which would not exist without such a machinery. It must also be avoided that by establishing such machinery persons are encouraged to submit such claims, even if most of such claims would be unjustified. It might create an enormous administrative burden if numerous claims would be submitted.

(c) If the Army insists on legal protection the value of the property which would not be handed over to IRC without such protection should be ascertained. Only if property of appreciable value is concerned, the request of the Army should be satisfied.

(d) As the whole matter is depending on the interpretation of the words "non-monetary gold" in the Final Act, it may be advisable to ask the Inter Allied Reparation Agency for an interpretation of these words. If the Agency decides that the property in question is non-monetary gold, the Army would be covered and would not be in need of any ^{further} legal protection. There is, of course, the danger that the Inter-Allied Reparation Agency might be less liberal than the Army is prepared to be if the legal protection is given which is requested.

(e) Such legal protection should not take the form of a guarantee given directly by the voluntary agencies to the possible claimants and in consequence establishing a claim against the voluntary agencies which does not yet exist. It should take the form of a bond of indemnity given to the American Government (Army) under which the voluntary agencies would only be liable if and when the American Government has been successfully sued by a claimant, providing, of course, for the usual internal machinery to settle claims by compromise if the voluntary agencies agree.

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to Leavitt

(f) As far as property of German and ex-enemy nationals is concerned which was taken from them in Germany, a provision could be inserted into the future restitution law (article 8 of the draft submitted to the Control Council by the U.S. member), under which claims to non-monetary gold handed over to IRO should be excluded.

B) HUNGARIAN GOLD TRAIN

(1) Facts

- (a) The gold was found in Austria
- (b) It came from Hungary
- (c) Under Article 27 of the Peace Treaty with Hungary heirless property of persons who were the object of racial persecution is to be transferred by the Hungarian Government to "successor organisations".

(2) Conclusions

- (a) The Final Act does not apply to the Hungarian Gold Train.
- (b) The contents of the Hungarian gold train belong either to the owners or their beneficiaries or to the successor organization to be established under Article 27 of the Hungarian Peace Treaty.
- (c) If the Hungarian gold train is handed over to IRO it will be illegally acquired, and if the proceeds are handed over to the voluntary agencies they will not be in a position to plead bona fides. They will be open to claims submitted by the owners or their beneficiaries or the successor organisation.
- (d) The successor organisation will have only to prove that the property belonged to racial persecutees in Hungary and will have no need to identify individual pieces.
- (e) On the other hand it is obvious that it is not in the real interest of a Jewish successor organization in Hungary to enforce such a claim. Such an organization may, however, be forced to do so.

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July 25, 1947 non man goit

To: Mr. Joel Fisher

From: Dr. George Weis

Re: Non-monetary gold

(1) Before the suggestions made in Mr. Leavitt's letter of July 24, 1947, can be examined the legal position must be cleared. It is, I think, as follows:

(a) Non-monetary gold found in Germany had been confiscated by the Nazi government

- (i) Either from German nationals in Germany, or
- (ii) from non-German nationals outside Germany, or
- (iii) from non-German nationals in Germany or German nationals outside Germany, but I think this possibility need not be considered.

(b) As far as property confiscated from German nationals in Germany is concerned, the confiscation will be invalidated by the future restitution law, and the former owners or their beneficiaries or the successor organization will be entitled to the property and will have a rei vindicatio in accordance with the restitution law, if this rei vindicatio is not excluded under general rules of law or by the restitution law itself.

As far as property belonging to non-German nationals is concerned it will depend whether the former owners were Allied nationals or ex-enemy nationals. If the former is the case they are already now entitled to ask for restitution through the usual channels if this claim is not excluded under general rules of law. Their claim for restitution will generally be recognized in the future German Peace Treaty.

As far as ex-enemy nationals are concerned they have at present no claim for restitution, and such a claim will probably be expressively excluded in the future Peace Treaty with Germany.

(c) Any claim for restitution is, of course, conditioned by the fact that the property is identifiable and can really be identified and found. I do not know the kind of property concerned, but commercial jewellery is, of course, not identifiable apart from very exceptional cases and with the exception of wedding rings which may have an inscription.

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- (2) We have also to examine the question whether with regard to property belonging to German nationals the rei vindicatio established by the future restitution law would be effective
- (a) under the Draft Constitution Law as now proposed, and
 - (b) under general rules of law.

Ad a) In my opinion there is no provision in the draft as it stands which would exclude a rei vindicatio.

Ad b) The non-monetary gold in question has been acquired by the Occupying Powers by an Act of State, and all further dispositions with regard to such property, especially the Final Act of the Paris Conference, is also an Act of State, and the Final Act is furthermore constituting international law.

I do not think that any rei indicatio could succeed against anyone who has acquired property under the Final Act of the Paris Conference, at least not in those States who have signed the Final Act and have made the Final Act part of its municipal law in the proper constitutional way. As the United States have signed the Final Act and certainly acted according to the United States Constitution when doing so, there will be no U.S. Court which will entertain a claim for restitution under the German Restitution Law either against the U.S. Government or against IRO or against one of the Agencies handling the non-monetary gold or a person who will finally acquire such property. Quite apart from that no claim can be filed in Court against the U.S. Government or against IRO.

- (3) As far as property is concerned which had been confiscated from Allied nationals, their claim is also excluded by the Final Act as far as they are nationals of countries which have signed the Act. As France, Luxemburg, Norway, Netherlands, Denmark, Czechoslovakia, Belgium, Greece and Yugoslavia have signed the Agreement, only Polish and Russian nationals are not excluded by the Final Act. Their claims would, however, not be entertained by any Courts in one of the signatory countries, as such a Court would treat any action of the government which handed over non-monetary gold to IRO as an Act of State.

The risk that any rei vindicatio with regard to non-monetary gold could be made against the JDC or the Jewish Agency is, therefore, rather remote.

- (4) If we, however, assume that such claims could be filed at all, then we must start on the assumption that such claims would be a rei vindication of owners or beneficiaries of owners filed against the possessor of identifiable non-monetary gold. There might be a claim for damages against the former possessor of such gold if he transferred that gold to someone else and this gold cannot be found any more. Such a claim for damages would, however, also be based on the

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rei vindicatio. Consequently,

- (a) no such claims can, of course, be filed against the Army. Nobody can sue the Army or its representatives.
 - (b) No "guarantee" can be given. If someone found out that some identifiable property had been handed over to the JDC by the Army, the claimant would never sue the Army but, of course, the JDC who would be in possession of the property concerned. That would mean, either the claimant has a direct claim against the JDC or he has no claim at all, and neither needs the Army protection nor would such a guarantee, even if it could be given validly, alter the situation.
 - (c) Such a guarantee cannot be given validly. One cannot give a guarantee to unknown persons. What the Army really wants is a bond, according to which the JDC undertakes to indemnify the Army if claims should be filed against the Army. I do not think that such a bond makes very much sense legally, but it is not very dangerous either as no claim can possibly be entertained which had been filed against the Army.
- (5) If the legal position is as I have outlined above, the remedies suggested in Mr. Leavitt's letter cannot be recommended.
- (a) The Army is not entitled to issue a directive setting a time limit. This can only be done by Mil.Gov. By issuing such a directive Mil.Gov. would recognize a right which does not in fact exist.
 - (b) Such rights would also be recognized by setting up a Tribunal. In setting up such a tribunal jurisdiction would be established which without such a tribunal does not exist. One would also waive the plea that by Act of State and under international law rei vindicatio with regard to non-monetary gold are excluded.
- (6) The following remedies are suggested to protect the Agencies against claims with regard to non-monetary gold:
- (a) A provision should be inserted in the German Restitution Law expressively excluding claims for restitution of non-monetary gold. Such a provision can easily be inserted in article 8.
 - (b) A similar provision should be included in the Peace Treaty with Germany.
- (7) There is, however, another question not of legal but of moral nature. Should the voluntary agencies, although there is no legal title, recognize ex gratia claims for restitution if a person can prove that some of the non-monetary gold is his property? In my opinion there is theoretically no doubt that the voluntary agencies should recognize such claims. There is, however, the great practical difficulty that if it becomes known that the voluntary agencies are prepared to

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recognize such claims, they would probably have to set up considerable machinery to deal with applications. Such a machinery would even be needed if 99% of the applications had to be refused. I therefore think that the voluntary agencies should resolve to recognize ex gratia claims for restitution, but they should not make any announcement and wait for incoming applications. If there is property which is labelled with the name of the owner, the agencies should separate it from the bulk, keep it, and make investigations regarding the owner or his beneficiary.

- (8) There is, of course, always the danger that blackmailing law suits are filed against the agencies, that persons just sue the agency for a high amount and hope that a compromise will be arrived at to avoid expenses for litigation which might be unrecoverable from the claimant. Against this danger an insurance can be taken out, the premium for which cannot be very high as the risk is small.

Dr. George Weis

BrGW/hf

Reparations 1163
DIRECTIVE ISSUED TO CG USFET AND CG USFA ON DEFINITION OF NONMONETARY GOLD PURSUANT TO ARTICLE 8 OF THE PARIS AGREEMENT

1. you will make available on demand to duly accredited representatives of IGCR all valuable personal property which represents loot seized or obtained under duress from political, racial or religious victims of Nazi government or its Satellite Govts., or nationals thereof which was or may hereafter be found seized or confiscated by USFET or by local authorities acting under direction or control of US Forces, sub. to fol conditions:

A. That property cannot be restituted to Govt. pursuant to WARX 85965 Nov 1945 (SWNCC 204/2) and WARX 99226 March 1946 (SWNCC 204/5) as amended and modified by Control Council action, because determination of rational origin is impractical.

B. That property cannot be restituted to lawful owners under laws in force in place where presently found either because lawful owners have died or ceased to exist without legal successor or because determination of individual ownership is impractical.

C. That ownership interests in real property located in Germany and German currency or instruments of exchange payable in German currency will be excepted.

D. That Jewish books, manuscripts and literature of cultural or religious importance will be excepted and disposed of pursuant to separate directive.

E. That detailed inventory and tentative agreed valuation will be made of property subject to transfer to IGCR hereunder, and transfer will be made upon signing of joint inventory which shall be made part of receipt.

2. You will permit property transfer hereunder to be removed from Germany and Austria or to be sold therein if payment can be made outside Ger. and Aust. in acceptable foreign currency, notwithstanding any laws for control of foreign exchange, to end that maximum value be obtained therefrom by IGCR.

3. You will seek to obtain Control Council agreement to disposition pursuant to terms of this directive of any property disposition of which is reserved to Control Council. Even prior to such agreement you will nevertheless execute directive and you may advise other representatives of Control that you are doing so pursuant to obligation assumed by your gover. in subscribing to Paris Agreement on reparations.

4. Expression "valuable personal property" as used in par. 1 of this directive shall be interpreted to exclude ordinary items of furniture clothing and other personal property of small intrinsic value and to include any such items of uncommon value. In determination of impracticability of identification pursuant to paragraphs A and B of this directive regard shall be had to extent of comingling with other property and difficulty and expense of determination of ownership on comparison with value of property. All property as defined herein will be considered as falling within this directive and will be made available to IGCR unless available evidence clearly to the contrary. You will establish such adm. machinery as may be necessary to execute this directive promptly and effectively.

Received Washington Office IGCR 20 November 1946

From JH Hildring Assistant Secretary of State.

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Dr. REINER IMRE

az 5950/1946. M. E. sz. rendelettel
szervezett vizsgálóbizottság

ELNÖKE

BUDAPEST, VI., CSENGERI-U. 61

Telefon: 121-304

120 1163.2 Budapest, 194. The 29th July 1947.

The American Joint Distribution Committee
P A R I S

VIII Rue Teheran 19.

Received AUG 18 1947

N° 30183

Sent to

HK

Replied

Dear Sirs,

By its decree no. 5950/1946.M.E. the Hungarian Ministry set up a committee for the investigation and safeguarding of taking over and bringing home the Jewish valuables abducted abroad by the Fascist government of Hungary in the last period of its reign of terror.

At the proposal of the Central Board of Jews in Hungary and the Central Board of Autonomous Orthodox Israelitic Religious Bodies in Hungary as the legal representative bodies of Hungarian Jewry, the Hungarian Minister of Finance appointed undersigned to be the president of this Committee.

In this capacity - in full agreement with the aforesaid and undersigned two Israelitic Central Boards - I have the honour to make my observations and to submit my suggestions to your reply, dated at May the 1st this year, addressed to the Central Board of Jews in Hungary, which was referred to me.

Though the Hungarian Jewry was not officially informed of the fact, we have gained information from newspaper and other communications, that the United Nations have placed the jewel, gold and other valuables of the Hungarian Jews, which were abducted abroad, at the disposal of the Intergovernmental Refugee Commission, set up within its framework, whereby these valuables would be disposed of - at a certain proportion - by the American Joint Distribution Committee and the Jewish Agency respectively.

There are rather exact particulars in our possession as to what jewels and valuables got into the possession of the American and French occupation authorities in May 1945, when the occupying troops took hold of the train - the so-called "Train of gold" - and two trucks by which the Fascists carried the robbed jewels and gold of the Hungarian Jews abroad. According to available protocol notes, the list of these valuables - with the exception of six cases of gold, which were hidden in between- were as follows:

- 8 cases of brilliant and pearls
- 2 cases of selected pieces of brilliant and pearls
- 3 cases of golden coins and bars
- 18 cases of golden jewels ornamented with semi-gems
- 35 cases of golden watches for men and women
- 43 cases of different objects of gold

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These valuables were placed on the train and the trucks in riveted cases fastened with iron screws and they were complete and without loss, when handed over apart from the six cases, mentioned in the protocol. The two iron cases with selected brilliants and pearls, ~~four cases containing diamonds and pearls~~ ~~formations~~ ~~all~~ the eight cases of brilliants and 40 cases of gold are held by the French Authorities. The rest of them got into the possession of the American Authorities. Other valuables /silver, carpets, furs etc./ are also held by the Americans.

It is beyond doubt, that very great values are at stake, which is selfunderstood in view of the fact, that the Government in those days issued a decree after the entry of the Germans, obliging all Jews to deliver their gold and jewels. That is how all valuable jewels and gold of the 800.000 Hungarian Jews were concentrated. On the approach of the armies of liberation these were dragged westward on a train and trucks with proper military escort and finally they fell into the hands of the American and French troops of occupation.

There are many, who having returned to their homeland, demand their valuables, which were their property or the inheritance of their dead relatives.

As for the rest, the Hungarian Government passed legal measures in a sense, that heirless valuables were to form the property of the Jewish Rehabilitation Fund, which is destined to relieve former persecutees in need.

The decree of the Hungarian Cabinet Meeting provides, that the valuables claimed by the representatives of Jews, who resided once in Hungary but who are now foreign residents, could be stored abroad and delivered there.

We are convinced, that you well see the importance to the leadership of the Hungarian Jewry, to have exact informations particulars and estimations of these valuables, furthermore to be able to dispose of these valuables and to be able to take measures about these valuables on behalf of the existing owners or heirs respectively, or in want of such on behalf of the Jewish Rehabilitation Fund. We sincerely regret to say, that we cannot be content with your communication, that you are bound by the provisions of the Reparations Agreement and cannot do anything with reference of our request to assure the right of disposal to the leadership of the Hungarian Jewry. In our judgement, disposition over the Hungarian Jewish valuables in question was granted by the United Nations, to the two abovementioned Jewish World-Organisations, not as a duty, but as a right it is only duties imposed which are equivalent to compulsion, but not assured rights. This way it is within the power of both; the A.J.D.C. and the Jewish Agency, to accept and to practice the right of disposition under certain conditions. Doubtlessly these conditions should be such, that the leadership of the Hungarian Jewry is authorised to dispose over the valuables in question, as they are actually and legitimately the representatives of those, who suffered damage.

If the United Nations - correctly and justly - did not regard these valuables as war-booty, but the rightful property

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of the much-suffered and spoliated Hungarian Jews, from this just and correct settlement it follows reasonably, that neither the interested Hungarian Jewish owners, nor the legal representative bodies entitled to act on behalf of the entire Hungarian Jewry, can consent to being deprived of their right of disposition over these valuables, which do not constitute any war-booty, but the lawful property of the Hungarian Jews, This is a matter of such a great importance, in which - following exactly from the intentions implied in the resolution of the United Nations - the representatives of Hungarian Jewry must have a decisive word by all means.

This applies also with regard to all acts of registration, valuation, possibility of identification, investment or use or restitution to the interested parties and the Jewish Rehabilitation Fund.

We must repeat our request fully expounded in the previous letter of the undersigned Central Board of Jews, asking you to be as kind as to make a proposal to competent places, - which we will do simultaneously by our proposal submitted to the United States and French Government - /enclosed herewith, in copy/ in a sense, that the leadership of the Hungarian Jewry should regain right of disposition over these valuables.

We emphasise this time again, that we continue to attach a great importance to an understanding collaboration with you and count upon it either.

With regard to our instructions, to open negotiations with you on this question, we refer to the letter of the American Government, addressed to us, which we enclose herewith in copy, which explicitly tells us to enter into negotiations with the A.J.D.C. and the Jewish Agency.

At the same time we ask you to send us an inventory of the properties in question and the particulars referring to their valuation.

Now, as to the finishing part of your letter, the Hungarian Jewry has taken and is taking the gifts, sent and to be sent by the American Joint Distribution Committee, with a sincere gratitude. We regarded this material assistance representing very serious sums indeed as the human and fraternal willingness to help of our fortunate Jewish brethren overseas, with which they wanted to keep the surviving remnant of European Jewry alive that has undergone the most terrible sufferings and miseries of history. So we have considered the part of your letter referring to this subject as a comfort, that the Hungarian Jews have received and can expect more of the "Joint" than their own values. As it happens, the part of the Hungarian Jewry, which support itself though under difficult circumstances and receives no assistance from the "Joint" is also reclaiming its portion of the valuables in question. For our part, we regard it as indispensable on the basis of what we said above, that the pauperised Hungarian Jewry still living mostly on the gifts of our

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brethren abroad, should come by its rightful property, which it considers to be a serious asset for the foundation of its future, the foundation of a new existence and the relief of those suffering want.

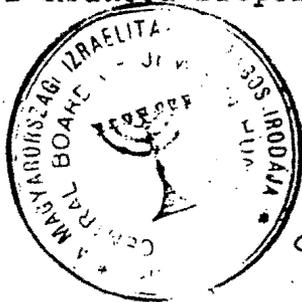
Asking again for your detailed reply and proposals we remain

respectfully yours

Dr. Emery Reiner

Dr. Emery Reiner

Chairman of the Committee for the Repatriation of Abducted Properties.



Dr. Ernest Munkácsi
Dr. Ernest Munkácsi
Manager - Director

Lewis Stöckler
Lewis Stöckler
President

of the
Central Board
of Jews in Hungary

Dr. Emery Reiner

Dr. Emery Reiner

Legal-Adviser, Vice President
of the
Autonomous Orthodox Israelitic
Central Board of Jews in Hungary



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December 4, 1950

Paris Letter No. 474

To: Mr. C. Passman
AJDC TEL AVIV

Re: Becher Deposit

I am not sure whether you have ever heard anything during your visits to Paris about the so-called Becher Deposit. This was a certain amount in valuables turned over by former General Kurt Becher to the US Army at the time of his capture toward the end of the war. It comprised objects turned over to him chiefly by Hungarian Jews as ransom.

After long negotiations the US State Department instructed the US Army to turn these valuables over to the Jewish Agency. The Jewish Agency in turn had an arrangement with us by which the proceeds of these assets, when realized, were to be divided between the Agency and the JDC in the ratio of that year's UJA Appeal (I believe 57% JDC 43% Jewish Agency).

The actual liquidation of these assets was to have been carried out in Switzerland and the late Saly Mayer and Dr. Pozner were to have dealt with it. Mr. Mayer never wanted to have anything to do with it and it was handled, I believe, exclusively by Dr. Pozner.

After Mr. Mayer's death I wrote Dr. Pozner and was told by him that the matter was now being handled by his successor Mr. Laor. Accordingly I have had an exchange of correspondence with Mr. Laor, copies of which I enclose.

I have kept Dr. Schwartz advised about this and he has now requested that I turn Mr. Laor's letter over to you for follow-up with the Treasury Department of the Jewish Agency. So far as Mr. Laor's reference to claims against the proceeds of the Becher Deposit is concerned, Dr. Schwartz tells me that it was part of the arrangement between Jewish Agency and JDC that JDC would accept responsibility for settling these claims as and when they were put forward and proved. Consequently the contingent liability which these claims represent should not constitute a hindrance to the settlement of accounts between the Agency and the JDC with respect to the Becher Deposit.

Will you please let us know what you learn from the Agency about this item.

337160

MWB/fo
Encl:

H. W. Beckelman

Geneva, June 15, 1949.

Letter No. P.349.

JUN 17 1949

7428
nwb

JOINT DISTRIBUTION COMMITTEE
GENEVA LIAISON OFFICE
16, RUE DU MONT-BLANC

TO: Mr. M. Beckelman, AJDC, Paris
FROM: Mr. James P. Rice, AJDC, Geneva
RE: Non-Monetary Gold

IRO is preparing a detailed answer to the questions raised in your Paris Letter No. 69. In the meantime, I can give you the following information.

A, b, and c. IRO reports that except for the sum of \$24,715 just sent in by Abba Schwartz, IRO has paid out everything that has come in to the JDC and JAFP.

The 10% due to the non-Jewish agencies has still not been paid out in its entirety, since they have not submitted sufficient projects. Consequently, since our share represents 40% of 90% it is simply a matter of arithmetics to arrive at the total.

D. IRO claims that they have not received a statement from the U.S. auditors Price Waterhouse and Co, except for the period ending June 1948. Therefore, IRO does not yet know the details of these expenses. Presumably however, all such expenses have been deducted before payments were made to IRO.

E. IRO now estimates that a total of \$1,000,000 will be realized from non-monetary gold exclusive of the Italian project. This includes approximately \$ 500,000 from the non-monetary gold now in New York and an additional \$ 500,000 to be realized from the assets found in Austria.

Mr. Wenzel of the IRO Reparations staff, has just wired from Austria that the Military has given permission to send gold bullion from Austria to London for smelting. These assets have been valued at \$775,000 and those in the United States were originally estimated at \$ 700,000. Thus the estimate of a net realization of \$1,000,000 is conservative, but it should be our own estimate unless there are indications to the contrary at a later date.

James P. Rice

cc: Mr. Grubel
Mr. Jacobson

Copies given to nwb
515

337161

Confidential



Geneva, March 27, 1950. (2)

To: Dr. Joseph J. Schwartz - AJDC - Paris
From: Mr. James P. Rice - AJDC - Geneva
Re: Reparations.

The following is a résumé of the discussion with Abba Schwartz in which Mr. Jacobson, Mr. Adler-Rudel and myself participated.

1. Italian loot.

David Rolbein is coming to Italy to inspect the loot in order to determine whether it is in fact largely of Jewish origin. If this can be established by Rolbein's examination, it is expected that the agreement to divide up the proceeds 50/50 between reparations and Italian war orphans, will be carried out with 90% of the 50% for the Jewish organizations and 10% for the non-Jewish. If Rolbein's examination indicates that it is not clear whether the loot is substantially of Jewish origin some other formula for dividing the reparations share of the 50% will be worked out such as 80/20 or 75/25. Abba is very hopeful that the British will be coming around to the U.S. point of view and will not block the 50% for the reparations.

2. Liquidation of German property in Italy.

You are probably aware of the fact that German property in Italy is being slowly liquidated for which Italian lira is received. USA is one of the 13 nations which participated in the Brussels agreement for dividing up the proceeds of this liquidation lira. The USA share is 28%. Since it is the policy of the U.S. not to keep for itself such funds, Abba feels that there is a good chance that 50% of the US 28% can be obtained for the reparations. Unfortunately, it is not clear whether the State Department could make such a decision without presenting the matter to Congress in which case there would probably be strong congressional objections. In any case, any possibility of proceeds from this source is many months away.

3. 17,200,000 Fr. from Switzerland

The position at the present time is that Minister Stucki has not turned down the request but claims that he is encountering some unexpected internal difficulties because one of the prominent persons of the Swiss Parliament, Mr. Duttweiler, has been raising the question of compensation to Swiss citizens who suffered financial losses in Germany as a result of the war.

337162

Last week, the U.S. Legation received instructions from the State Department to send a second note to follow up on the first note. Our Minister, Mr. Vincent, will pro-

bably try to get the French and the British to send similar notes without referring the matter to London or Paris respectively which might cause further complications and delays.

Abba is going to discuss the matter with Kingsley to suggest that IRO make a demarche with the Swiss, asking that the payment be made to reparations funds. Abba feels that such a note would carry considerable weight in convincing the Swiss to make a favorable decision. He points out that it is extremely important that there should be no "leaks" to the Swiss about these plans as this might seriously affect their position. For this reason, he intends to make clear to Mr. Kingsley that the IRO demarche should be made by Kingsley himself and not by his reparations staff.- particularly in view of the way they bungled the heirless assets letter. We shall try to see Kingsley after Abba has seen him to drive this home.

4. 100,000,000 escudos from Portugal.

Abba reports that in a couple of months this question will be reactivated. IRC will be asked to make a demarche and the help of the Vatican will be enlisted. In respect to Portugal, he does not think it wise for the Jewish organizations to make any representations to the Government. As you know, the payment of the 100,000,000 Portugese escudos which totals approximately \$ 4,000,000 together with the first Swiss payment and the hoped for second payment and the previous Swedish kroner payment will bring the total up to the figure of \$25,000,000.

5. Heirless assets.

Abba reports that the American Legation expects to answer soon to their note on this matter. In any case, it seems to be fairly well established that the recently concluded trade agreement between Czechoslovakia and Switzerland did not contain clauses similar to those in the Polish-Swiss Accords. The question of the tactics of the Jewish organizations in following up these matters was thoroughly discussed. It was agreed that little could be gained by commencing a press campaign. Not a great deal could be hoped for by applying continued pressure from the Allies since none of the three governments has yet passed a law under which heirless assets might be turned over to reparations. In fact, according to Abba, as far as the U.S. is concerned, it now appears extremely doubtful that we can expect favorable congressional action on such legislation.

In this connection we discussed briefly the action taken or contemplated by other European countries on heirless assets.

337163

In Sweden, there appears to be a feeble possibility that something may be done; although the Swedes claim that there are practically no assets in that country. reports from

the Jewish organizations tend to confirm this. In Sweden, only a royal proclamation would be necessary for favorable action on heirless assets. This might be useful even though the actual amounts involved are very small, to use as a precedent to Switzerland since these two countries as the two big retrals, frequently follow one another's lead in such matters. Abba suggested that Si Rubin might follow up on this matter with Mr. Sandstrom, the responsible Swedish official with whom he has a good contact.

In Holland, the Minister of Finance and the Prime Minister are promising to draft a legislation on which some action may be taken by September.

In England, an amendment to the Trading with the Enemy Act introduced by Mr. Janner was overwhelmingly defeated by the Labour Party, so there seems to be no hope on favorable action from Parliament.

In Spain and Portugal, there has been no action and apparently no demarches.

In Belgium, there has been no action.

In Italy, this is a matter of Treaty provisions.

In Yugoslavia, there has been no action, but again as a precedent which might be pointed out to the Swiss, it would be advantageous to ask that steps be taken. This will be discussed with Fred White, in view of his knowledge of the situation in Yugoslavia and his good contacts with the Government.

The final conclusion of our discussion was that the best way of keeping the issue alive with the Swiss would be for the Government of Israel to make representations as the representative of one of the largest group of surviving Jew. We understand that the internal memorandum prepared on this subject by the Legal Department of the Israeli Government was not very satisfactory because it actually argued against the 5 power agreement by stating that no appropriate organism existed for handling the proceeds of heirless assets. If the Jewish organizations should agree to let the Israeli Government take the lead in this matter, it would be necessary to plan very carefully with the Israel Legal Department.

6. Industrial Diamonds in Germany.

Abba thinks that Eddie Warburg should write a note on this to Mr. McCloy to try to get a favorable decision.

7. Reparations.

337164

We discussed briefly with Abba the question of responsibility for reparations after IHO goes out of business in March 1951. It was Abba's suggestion that it will

probably be best to let IRO maintain its responsibility until they are finally liquidated which will take many months after March 1951. There is also the possibility that responsibility for reparations could be turned over to the High Commissioner who will take office in January 1951. But this would depend very much on who the High Commissioner is and the nature of his staff.

cc
James P. Rice

cc: Mr. Jerome J. Jacobson
Mr. S. Adler-Rudel
Mr. Abba Schwartz

337165

1141

Handwritten initials/signature

February 1, 1951

To: Mr. H. Katzki

From: Jerome J. Jacobson

Handwritten signature

Re: Reparations

I note your Paris Letter No. 564 of January 26, 1951, to Jimmy Rice asking for clarification. During my trip to Washington I talked with Sy Rubin on this question on the basis of which the answers to your questions will appear to be as follows:

(1) The 500 million lire up for distribution represent reparations funds or German property found in Italy and accordingly will be divided under the reparations agreement 90% for Jewish purposes and 10% for non-Jewish purposes. Hence, under our agreement with the JAFF we would receive 40% of the 90% or 36% of the total.

(2) The 90,000 Swiss francs appeared to be a portion of the loot found by the U.S. 5th Army and is therefore not a portion of reparations. Unfortunately the U.S. Army gave the British equal control over this loot, in fact giving them one of the keys to the vaults. The British have therefore driven a hard bargain to the effect that 50% of the loot go for the Italian war orphans and that the other 50%, while used for reparations purposes, should not be used strictly in accordance with the terms of the reparations agreement since it is not controlling. Under these circumstances they insisted, and apparently have won, that of the 50% available for reparations use half go to Jewish purposes instead of 90% and the other half to non-Jewish purposes. Thus 25% of the total would be available for Jewish purposes of which under our agreement again with the JAFF we would be entitled to 40% or 10% of the total.

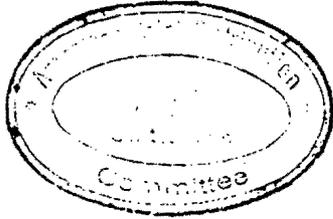
I think you will find Jimmy Rice's reply confirming these facts.

Incidentally, it was a long drawn out dispute between the State Department and the Army on whether or not property taken by the 5th Army constituted loot or prize of war. If it was the latter it was entirely the property of the Army whereas if it were loot it was subject to control by the State Department.

Handwritten signature
Jerome J. Jacobson

337166

JJJ/hf
cc: Mr. Beckelman



CONFIDENTIAL

Assigned III

Geneva, December 6, 1950.

File

To: Dr. Joseph J. Schwartz - AJDC - New York
From: Mr. James P. Rice - AJDC - Geneva
Re: Reparations.

I received some information on an unofficial and confidential basis, about the possibility of receiving new payments from Reparations Funds. The indirect source of this information is Abba Schwartz who, as you know, is sometimes sensitive about making reports about reparations possibilities until he is prepared to do so voluntarily. I therefore leave it to your judgment as to how you may approach Abba in this matter. On the other hand, it may be that you yourself are already au courant.

I have been informed that the U.S. State Department has agreed to turn over to IRC for reparations purposes the sum of 500,000,000 Italian Lira which of course would be divided on the usual 90% - 10% basis. (We do not know at this point whether the counter value of this sum will be deducted by the State Department and the other Allies from the amount which they presumably are still expecting the Swiss to pay.) This would mean for JDC the 36% of 500,000,000 Lira or 180,000,000 Lira. I was told that it may not be absolutely necessary for us to receive this sum in Lira if IRC found it possible to convert it on our behalf to other currencies. It is doubtful however that we could receive any of this in dollars since for its own purposes IRC is obtaining the Lira which it needs through its blocked sterling. It was further reported that Abba and Dave Kolbein are coming to Europe soon and will make final arrangements for the Italian loot.

How much is involved, no one seems to know as yet, and perhaps no one will know until such time as the various items are sorted out, converted, smelted, or sold as the case may be. However, it has been agreed that the division of the proceeds of the Italian loot will not be made on the usual 90% - 10% basis. Instead, 50% will be given to the Italian Government for aid to War orphans and 50% will go to IRC for reparations. This 50% in turn will be divided up with 50% for non Jewish agencies and 50% for the Jewish organizations. Presumably, we would divide with the Jewish agency our share of the 50% of the IRC 50% on the usual 60 - 40 basis.

337167

10/1A
OGC/REP/1

December 8, 1950.

Another item which is probably only of nominal value which will be made available for IRO reparations is a quantity of watches, said to be two cases which are in possession of the military authorities in the British Zone of Germany. No one knows what condition the watches will be in after a long period of storage, nor whether any part of them are gold watches in which case they would of course have certain intrinsic value. Presumably, what ever these watches may be worth will be divided on the usual 90% - 10% basis.

You will also be interested to know that IRO has decided that the non-Jewish organizations will no longer have the eligibility of recipients of reparations assistance checked by IRO itself. Instead, after such cases have been cleared by the Berlin Control Center, the non-Jewish organizations themselves will have full responsibility for determining eligibility. Perhaps this point should be followed up further because as you know, up to now, the non-Jewish organizations have been able to spend their share of reparations only by adopting rather generous standards. Therefore, if any further substantial funds become available, we and the Jewish Agency had hoped that the non-Jewish organizations would find it difficult to spend their share and that in consequence we could ask either that the unspent portion of the 10% be turned over to the Jewish organizations, which is what Rudel wants, or as we have proposed, used to aid certain Jewish victims of the Nazis. If the non-Jewish organizations are to be given wide latitude in determining eligibility, they will probably have no difficulty in finding ways to spend the money. This will of course create further difficulties for the JIC and the JAEP with the various Jewish claimants of reparations funds who feel that it is unfair that non-Jews receive substantial individual grants while they, the real victims of the Nazis, are refused.

James P. Rice

cc: Mr. M.W. Beckelman
Mr. J.J. Jacobson

337168

COPIES
I - AUR -

THE JEWISH AGENCY FOR PALESTINE

32 SA
Becher deposit
my sent to MWB

GENEVE March 15th, 1955

our ref. 300-544-55

Mr. S. Shargo
The American Joint Distribution Committee
119, rue St. Dominique
Paris 7

Dear Mr. Shargo,

Re : Becher deposit

We are pleased to inform you that at long last the last remnants of the deposit in our possession have been sold.

In accordance with an agreement between us, you are to receive 50% of the proceeds after deduction of all expenses.

In the letter of our Head Office Nr. 131/4/238 of June 5th, 1952, we informed your office in Jerusalem of the proceeds of the first part of the Becher deposit. Enclosed to that letter was a cheque of IL. 7,318.307, representing the countervalue of \$20,491.26, that is to say, 50% of the proceeds netto of the first part of the said deposit. Our Head Office also sent to your office in Jerusalem full details of how they arrived at this figure.

As to the second part, the expenses were as follows :

During the year 5712 for storage and insurance (These expenses were in respect of the six months ending September 1952; the first six months were already included in the first settlement as mentioned above)	SFr.	390.60
During the year 5713 storage, insurance & free port	SFr.	781.20
During the year 5714 " " " "	SFr.	788.95
In addition we had to pay customs duty totalling (partly refunded subsequently) as well as fees for the official valuer amounting to	SFr.	5,790.95
	SFr.	318.-

All our expenses totalled

SFr. 8,069.70

=====

.../2...

1104.70

337169

MAR 5, 1957

3257
Becher
Deposit

We succeeded in selling the valuables for an amount exceeding the official estimate, i.e.	SFr.	46,000.-
Refund of luxury tax and custom dues	SFr.	5,775.-
		<hr/>
that is in all	SFr.	51,775.-
Less expenses (see page 1)	SFr.	8,069.70
		<hr/>
Total net proceeds, that is to say \$10,164.02 =	SFr.	43,705.30
		=====

50% your share * = \$ 5,082.01
 =====

We are pleased to inform you that we have today credited your account with the amount of \$ 5,082.01.

We had to refer this credit to the approval of our Head Office in Jerusalem and they have accepted our suggestion that you should be credited with this amount in Dollars and not in I.L.

For your files we enclose two Office Memos on this matter in Hebrew, as well as some correspondence in this respect.

We would appreciate it if you were to confirm to us the receipt of this letter.

With kind personal regards.

Yours sincerely,
 European Treasury

copy: Treasury, Jerusalem

BZS/JC

* handwritten by Mr. Shargo.
 Should be 57% according to the agreement with the J.A.
 S.S.

↓
 MRONG

337170

Kec
12/23

X Mr. Sharf. X

SS

325 A

Becher
Deposit

December 4, 1950

Paris Letter No. 474

To: Mr. C. Passman
AJDC TEL AVIV

Re: Becher Deposit

I am not sure whether you have ever heard anything during your visits to PA about the so-called Becher Deposit. This was a certain amount in valuables turned over by former ss General Kurt Becher to the US Army at the time of his capture toward the end of the war. It comprised objects turned over to him chiefly by Hungarian Jews as ransom.

After long negotiations the US State Department instructed the US Army to turn these valuables over to the Jewish Agency. The Jewish Agency in turn had an arrangement with us by which the proceeds of these assets, when realized, were to be divided between the Agency and the JDC in the ratio of that year's UJA Appeal (I believe 57% JDC 43% Jewish Agency).

The actual liquidation of these assets was to have been carried out in Switzerland and the late Saly Mayer and Dr. Pozner were to have dealt with it. Mr. Mayer never wanted to have anything to do with it and it was handled, I believe, exclusively by Dr. Pozner.

After Mr. Mayer's death I wrote Dr. Pozner and was told by him that the matter was now being handled by his successor Mr. Laor. Accordingly I have had an exchange of correspondence with Mr. Laor, copies of which I enclose.

I have kept Dr. Schwartz advised about this and he has now requested that I turn Mr. Laor's letter over to you for follow-up with the Treasury Department of the Jewish Agency. So far as Mr. Laor's reference to claims against the proceeds of the Becher Deposit is concerned, Dr. Schwartz tells me that it was part of the arrangement between Jewish Agency and JDC that JDC would accept responsibility for settling these claims as and when they were put forward and proved. Consequently the contingent liability which these claims represent should not constitute a hindrance to the settlement of accounts between the Agency and the JDC with respect to the Becher Deposit.

Will you please let me know what you learn from the Agency about this item.

MB/fc
Encl:
cc Sharf
Jackson

RECEIVED BY THE
ACCOUNTING DEPARTMENT
ON _____
M. W. Beckelman

337171

12/23

X Mr. Sharf. X

SS

325 A

Becher Deposit

December 4, 1950

Paris Letter No. 474

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AJDC TEL AVIV

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Will you please let me know what you learn from the Agency about this item.

MWB/fo
Encl;
cc Sharf
Passman

RECEIVED BY THE
ACCOUNTING DEPARTMENT
ON _____ M. W. Beckelman

337172

Copy.

INTERNATIONAL REFUGEE ORGANIZATION, GENEVA'

INTER-OFFICE MEMORANDUM

11th March, 1950.

To: Headquarters Cashier Branch,

From: E. Benson,
Office of the Comptroller.

Subject: Payment from Reparation Fund.

The Director-General has approved the distribution of the sum of Sw.Frs.670.000 (Six hundred and seventy thousand Swiss Francs) available for disbursement from Reparation Fund, representing proceeds realized from liquidation of non-monetary Gold assets (currencies) by Julius Bär and Company, Zurich, as under:

1. Payment of Swiss Francs 241.200 (Two hundred and forty one thousand two hundred Swiss francs) to the American Joint Distribution Committee, representing their share (36%) of the total.

The Committee request payment to be made for their account to the:
Banque Populaire Suisse,
Geneva.

2. The share of the Jewish Agency for Palestine amounting to Swiss francs 361.800 (Three hundred and sixty one thousand and eight hundred Swiss francs) representing 54% of the total amount of the Sw.frs, 670.000 is to be withheld and transferred from the I.R.O. Swiss Franc Reparations Account to I.R.O. General Account and off-set against against the advance of \$400,000 made to the Jewish Agency for Palestine by I.R.O.

3. The sum of Sw.frs.67,000 (Sixty seven thousand Swiss francs) representing the share (10%) due to the Non-Jewish Agencies to be credited to the Non-Jewish Agencies Account.

Mr. J.D.Kingsley's approval (in original) dated 8th March, 1950, is attached herewith.

E. Benson
for Comptroller.

cc. Dr.G.G.Kullmann
Mr. Scholes
Mr. Rice AJDC.

337173

copy.

8th March, 1950.

To: Me. J. Donald Kingsley
Director-General.

From: G.G.Kullmann, Director, Department of
Protection, Mandate and Reparations. (Sgd.G.G.K.)

Subject: PAYMENTS FROM REPARATION FUNDS

670
Approval is requested for the distribution of 670,000 Swiss Francs (six hundred and seventy thousand) which has just been received from the proceeds of liquidation of non-monetary gold (currencies) from Julius Bär & Company, Zurich.

This sum will be distributed as follows:

AJDC	Swiss Frs.241.200.—	approval for payment requested
JAFP	" " 361.800.—	this will be an additional off-set against the advance of \$400,000 made to JAFP from IRO General Funds.
10% Agencies "	" " 67.000.—	to be credited to non-Jewish Agencies acct.

I would, therefore, appreciate your approval for the payment of Swiss Francs 241,200 to AJDC, and the payment of the equivalent in dollars of Swiss Francs 361.800 to IRO General Funds.

Approved.

J.D.Kingsley.

8/3/50.

337174

120.1163.2

~~SECRET~~
FISHER
↑

Dr. Emery Reiner / Budapest, VI.Csengery-street 61/,
legal adviser vicepresident of the Central Board of the Hungarian
Orthodox Jews, who has been designed by the Hungarian Minister of
Finance to be president of a jewish commission including 12 members,
which has to bring back the jewish valuables dragged away - in the
first line the so-called Gold-Train - possesses the following data
concerning the contents of the Gold-Train:

There were following jewelry, gold money, gold bars and
golden jewels in the waggon dragged away:

Brilliants, jewels, pearls	8 cases
Brilliants / choice/ and pearls	2 iron cassettes
Gold money and gold-bars	3 cases
Golden objects adorned with half- jewels	18 cases
Golden watches	35 cases
Golden objects / chains, bracelets, etc/	46 cases

The two cassettes with choice brilliants and pearls, further
4 cases with brilliants, jewels and pearls, further 40 cases containing
golden objects got into French possession; the remaining values mentioned
above were taken over by the American army.

The complete list of the contents of the Gold-Train is
enclosed.

337175

This list is made only remembrance, while the original officilist is by Toldy Arpad /his is the master of the official / an we don't know where possible find him.

700.216	Edifice stons
113.513	Porcelain
213.613	Carbon
220.551	Plank
123.359	Silver, Carpets, Walk stick
75.395	Carpets, gold
120.324	Persons, Carpets
95.182	" "
125.158	" " Gold
24.014	Persons from Szombathely
268.738	Silver, Persons
3.777	Gold money, gold watch, money of the offie, carpets, diamond
6.970	Persons
78.155	Carpets, persons, gold
51.038	the guards
218.040	Kitchen
155.170	Persons
91.482	Dress, Cloth
7.303	Cloth, dress, gold
6.533	Silver, gold, cloth
191.307	" type writers
69.142	"
134.715	"
144.000	"
129.111	Carpets, silver, gold
136.632	"
55.430	silver, gold
174.137	" "
120.062	Porcelain
102.739	Things of the museum from Győr
207.557	Silver
130.064	"
42.783	Carbon
15.234	benzin cans (empts) an rublich
97.999	Carbon
127.260	Silver
1132.599	"
94.150	" Carpets
763.016	Hay VII.12-en kicserelve D.B.44036 szamu waggonra

1163.6

25C
1163.6

AMERICAN JOINT DISTRIBUTION COMMITTEE
GENEVA LIAISON OFFICE
18, RUE DU MONT-BLANC

Geneva, September 19, 1949.

Letter No. P523

SEP 21 1949

9052

MWB

To: Mr. M.W. Beckelman - AJDC - Paris
From: Mr. James P. Rice - AJDC - Geneva
Re: Non-Monetary Gold

I note in your Paris letter No. 3393 of September 16 that you inform Mr. Leavitt that there is only \$50,000.00 in non-monetary gold out of the \$775,000.

I am sorry to say that the amount is only \$15,000. Apparently you misunderstood this when I explained it to you by phone. Obviously, this makes the whole affair even less interesting from our standpoint. On the other hand, it might still be worth while to discuss it informally with Abba, not only for possible future allocations from Italian loot, but in order to make sure that Abba is aware of how the gold might be used.

I am informed that most of the \$775,000 is in gold and silver numismatic and non-numismatic coins which are sold thru Julins Bar Co in Zurich, presumably at the highest world market price.

In the meantime, I shall not request IRO to proceed with the liquidation until I receive further written instructions from you.

Incidentally, if the \$1,400,000 in diamonds are declared as part of reparations, would a direct transfer to Israel be interesting to us and the Jewish Agency, in view of the diamond industry established there?

I am sending a copy of this memorandum directly to Mr. Leavitt, so he will be aware of the misunderstanding about the \$15,000 instead of \$50,000 in non-monetary gold.


James P. Rice

cc: Mr. M.A. Leavitt
Mr. J.J. Jacobson

337177

EXTRACT OF:

JCC/HUN/21

06C/REP/21

Notes of Meeting of the Four Organizations
held on May 3rd, 1949, at the JDC offices.

Present were:

Dr. Eugene Hevesi
Mr. Maurice M. Boukstein
Dr. Nehemiah Robinsen
Mr. Eli Rock
Mr. Joel H. Fisher

~~HUNGARIAN-FRENCH GOLD TRAIN (MINISTER NYARADI)~~

n) Hungarian French Gold Train -- this matter involved certain assets originating from Hungary, which had been found by the French in their Zone of Germany, and which had been returned to Hungary, instead of being used for reparations purposes, as it had been the intention of the Allied powers. The Hungarians in turn had not returned these assets to their former owner where identifiable or turned them over for Jewish purposes. Mr. Rock mentioned that the original agreement between the French and the Hungarians had been negotiated by former Minister Nyaradi, who had since fled Hungary and was in this country. It was his suggestion that the organizations attempt to approach Minister Nyaradi to learn from him, if possible, the exact terms of the arrangement between the French and the Hungarians, in order to have a basis for possible representations on this matter.

It was the feeling of the group, particularly of Mr. Boukstein, that Mr. Nyaradi should not be officially approached by the Jewish organizations.

On the other hand, it was suggested that Minister Nyaradi be interviewed on a private basis in order to elicit all possible information. Dr. Hevesi agreed to make the necessary arrangement. The results of such an interview would be submitted to the group, and further steps would be taken at that time.

337178

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Send to Paris

מדינת ישראל
ISRAEL

1163.2
11 EAST 70TH STREET
NEW YORK 21, NEW YORK
TRAFALGAR 9-7600

OFFICE OF THE
REPRESENTATIVE
TO THE UNITED NATIONS

June 24, 1949

RC

JUL - 8 1949
MSB
MSG

Mr. J. Schwarz
American Jewish Joint Distribution Committee
270 Madison Avenue
New York, N.Y.

Dear Mr. Schwarz:

In pursuance to our conversation of yesterday in the question of restoration of the French part of the Hungarian Gold Train, I beg to forward to you copies of my memorandum to Mr. E. Kaplan with two enclosures.

I have conveyed Mr. Kaplan your views on the question which I fully share with you.

Very sincerely yours,

Gideon Rafael

GR/ml.

337179

ed/

REPARATIONS FUND

NON-MONETARY GOLD FUND - ALL CURRENCIES

RECEIPTS AND DISBURSEMENTS TO 30TH JUNE 1949
(Expressed in terms of US Dollars)

	<u>JEWISH AGENCIES</u>			<u>NON-JEWISH</u>
	<u>TOTAL</u> 90%	<u>AJDC</u> 40%	<u>JAPP</u> 60%	<u>AGENCIES</u> 10%
<u>INCOME:</u>				
Merchandising Advisory Committee	1,500,000.—			
S. Montague & Co.,	1,057,858.83			
Julius Bar & Co.,	14,450.98			
Miscellaneous	302.25			
	<u>2,572,612.05</u>			
<u>EXPENDITURE:</u>				
Dogussa, Frankfurt	1,820.—			
Transfers to Liquidation Expense a/c	220,000.—			
Expenditure reimbursable to IRO	2,358.28			
	<u>224,178.28</u>			
<u>Net Income Available</u>	2,348,433.78	2,113,590.40	845,436.16	268,154.24
<u>Disbursements to Voluntary Societies</u>	2,112,767.88			
Jewish Agencies		2,089,539.84	835,815.93	
Non-Jewish Agencies				23,228.06
<u>Balance Available:</u>	<u>235,665.90</u>	<u>24,050.56</u>	<u>9,620.23</u>	<u>14,430.33</u>
				<u>211,615.34</u>

AMERICAN JOINT DISTRIBUTION COMMITTEE
GENEVA LIAISON OFFICE
16, RUE DU MONT-BLANC

Geneva, June 15, 1949.

Letter NO. P.349.

JUN 17 1949

7428

nws

TO: Mr. M. Beckelman, AJDC, Paris
FROM: Mr. James P. Rice, AJDC, Geneva
RE: Non-Monetary Gold

IRO is preparing a detailed answer to the questions raised in your Paris letter No. 69. In the meantime, I can give you the following information.

A, b, and c. IRO reports that except for the sum of \$24,715 just sent in by Abba Schwartz, IRO has paid out everything that has come in to the JDC and JAFFP.

The 10% due to the non-Jewish agencies has still not been paid out in its entirety, since they have not submitted sufficient projects. Consequently, since our share represents 40% of 90% it is simply a matter of arithmetics to arrive at the total.

D. IRO claims that they have not received a statement from the U.S. auditors Price Waterhouse and Co, except for the period ending June 1948. Therefore, IRO does not yet know the details of these expenses. Presumably however, all such expenses have been deducted before payments were made to IRO.

E. IRO now estimates that a total of \$1,000,000 will be realized from non-monetary gold exclusive of the Italian project. This includes approximately \$ 500,000 from the non-monetary gold now in New York and an additional \$ 500,000 to be realized from the assets found in Austria.

Mr. Wenzel of the IRO Reparations staff, has just wired from Austria that the Military has given permission to send gold bullion from Austria to London for smelting. These assets have been valued at \$775,000 and those in the United States were originally estimated at \$ 700,000. Thus the estimate of a net realization of \$1,000,000 is conservative, but it should be our own estimate unless there are indications to the contrary at a later date.

James P. Rice

cc: Mr. Grubel
Mr. Jacobson

337181

Copies given to nws
555

February 7, 1949

11632

TO: Mr. E. Kaplan
FROM: Gideon Rafael

Pursuant to our conversation this morning re the French part of the Hungarian Gold Train, I beg to give you the following information:

1. According to a report printed in the New York Times of December 30th, 1948, (copy enclosed) headed "Hungary Reported Keeping Jews' Gold" by John MacGormac, New York Times special correspondent in Vienna, the French Government returned to the Hungarian Government the part of the Gold Train which had fallen into their hands. The source of this report, who is presumably the former Hungarian Minister of Finance, Mr. Nyardi, who escaped from Hungary at the end of December, claims that the French part amounted to about 1 1/2 tons of gold and a quantity of jewelry. According to our previous information, the French part of the Gold Train consisted of 8 freight cars containing gold and the most valuable jewelry and diamonds. It was always estimated that the French part was the by far more valuable part of the train.
2. The New York Times report further more stated that the Hungarian Government refuses to return this property to its lawful owners or to the Jewish Community as provided under Hungarian restitution law of 1946.
3. In May 1946 I negotiated in Budapest an agreement with Mr. Rakosi, Deputy Prime Minister, which stipulated that the Hungarian Government requests the directors of the Jewish Agency for Palestine to intervene with the competent authorities of the Allied Powers and to make their influence prevail in the interest of the release and restitution of Jewish property carried abroad from Hungary during the Fascist persecutions "so that these assets may serve the purpose of the social and financial restitution of Jews who fell victims to the above persecutions". Upon the instructions from Mr. Rakosi the document was signed by Prime Minister Ferenc Nagy (photostat attached). It was Mr. Rakosi's clear understanding that the property would not be returned to Hungary, but used for the resettlement of Jewish Refugees abroad, mainly in Palestine. The Hungarian Government at that time was negotiating with the Allied Authorities in Germany and Austria for the release of Hungarian property which was carried away by the Nazis in similar circumstances as the Jewish property. Mr. Rakosi understood that our negotiations with the Allied Authorities, particularly with the U.S., would pave the way for successful negotiations between the Hungarian Government and the U.S. In fact in 1946 after we obtained from the State Department the release of the Jewish property, an Hungarian Government Mission, including Mr. Rakosi, visited the U.S. and obtained the release of about \$35,000,000 Hungarian gold kept in Frankfurt A/M. On his way back from the U.S. Mr. Rakosi contacted me in London to convey his gratitude and satisfaction for the assistance which we gave him indirectly by obtaining the release of the Jewish property.

In fact, Hungary obtained consequently the release of most of its property as indicated in Mr. Nyaradi's letter to Mr. Rakosi which was published in the Paris edition of the Herald Tribune on December 31, 1948 (copy enclosed)

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February 7, 1949

4. I suggest therefore, that the question of the French part of the Gold Train should be taken up again with the Hungarian Government and a claim should be presented, that this property should be placed at the disposal of IRO for allocation to the Jewish Agency and the JDC.

Since it is unceivable that the Hungarian Government under present circumstances would be ready to return this property. I suggest the following compromise solution. A JDC representative, preferable Mr. J. Schwarz, who is well known to the Hungarian Authorities, should suggest that the property be placed at the disposal of the JDC in Hungary to be used for rehabilitation and relief of Hungarian Jews. This procedure would enable the JDC to divert their relief funds spent in Hungary for other projects abroad. The JDC would reimburse the Jewish Agency from the proceeds with the amount due to it under the existing agreement between those two organizations.

The JDC as an American Organization would be able to bear some pressure on the Hungarian Government in this matter through the appropriate channels of the State Department, since Hungary still maintains claims against the U.S. Government for the restitution of about \$50,000,000 worth of Hungarian property, as stated in the above mentioned letter of Hungary's former Minister of Finance.

GR/ml.

337183

OGC/REP/21

Extract

Bulletin No. 27. 1/2/1949.

SITUATION CONFUSED ON RESTITUTION OF VALUABLES TO JEWS IN HUNGARY.

Budapest, Jan. 31st, (Jewish Telegraphic Agency).

The situation concerning the restitution of jewellery and other valuables recovered from the Nazis who had stolen them from Hungarian Jews, is confused, Mr. Ferenc Jeszenszky, General Director of the Hungarian National Bank, has informed the Jewish Telegraphic Agency.

Mr. Jeszenszky also stated that the Government intends to make full restitution to Jewish owners of the property although until now only a few Jews - survivors of the towns of Tataváros and Nagykoros - whose property was in labelled envelopes, have actually had any property returned to them. The bank official pointed out that included among the loot are pieces of jewellery with Arrow Cross and Nazi emblems, proving that the Nazis did not restrict their looting to Jews. This situation tends to slow down the entire sorting operation, which, the official declared, is not an overnight affair.

He said that where the property consists of scrap gold, gold bars or gold plate, or medals of valuable metal, Government regulations do not permit the return of the property in this form. In such cases, the currency value of the jewellery is deposited to the account of the owner or his heirs. All such accounts, however, are blocked, pending clarification of the procedure for establishing rights to property. Finally, the bank director pointed out that there are specific procedures which the peace treaties bind Hungary to follow in the disposition of such property, adding that in every case the Government is acting in accordance with such instructions.

337184

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American Legation
Budapest, Hungary, May 19, 1947.

Central Board of Jews in Hungary,
515 u.12.
Budapest VII.

Sirs,

In response to your letter of May 19, 1947, I am enclosing herewith a copy of my letter of March 20, 1947, concerning receipt by the Department of State of your cable of February 21, 1947, concerning the "Gold Train".

You may be interested to know that a portion of the property understood by the less valuable part, is held by the United States Forces in Salzburg. With the approval of the United States Government, the Commanding General, U.S. Forces, Austria, determined that the property should be turned over the Intergovernmental Committee of Refugees for relief and rehabilitation of non repatriable victims of German action. This means in practice, that ninety per cent of the proceeds will be disposed of by the American Jewish Joint Distribution Committee and the Jewish Agency for Palestine. This decision was based on the fact, that it was impracticable to return individual items to the original owners or heirs and is believed to have been made in the best interests of the class which was despoiled.

To the extent that your interests are involved, you may wish to consult with the two Jewish organizations named above.

Very truly yours

For the Minister:

Robert S. Folsom

Second Secretary of Legation.

Enclosure:

Copy of the Legation's
letter, dated March
20, 1947.

337185

We respectfully ask you to revise your decisions and measures taken so far on the ground of what we are going to expound below in a detailed manner:

In April 1944, after the invasion of Hungary by the German, the Fascist Government of Hungary of those days issued a discriminatory decree against the Jewish population, obliging them to deposit their gems, their golden jewels ornamented with gems, and generally all their valuables made of gold with the Authorities. This provision went so far, as to oblige Jewish individuals to deliver their wedding-rings.

Accordingly the jewels and other valuables of 800,000 Hungarian Jews were seized by the Fascist Government.

On the approach of our liberators, the Nazi government of Szalasi had these valuables laden on a train consisting of 44 cars and had them abducted westward under military escort. This railway train was seized in May 1945 by the U.S. troops of occupation. This was the so-called "Gold Train". The waggons contained other valuables too, beside the jewels e.g. oriental carpets, silver, furs, etc. The escort of the train placed a detailed

120 11632 May 19, 1947

In view of this report the information about the same valuables contained in the letter of Assistant - Secretary J.J. Hilldring, given at the request of the representatives of Transylvanian Jewry, is erroneous. The relating sentence of this letter runs as follows:

"The United States Forces in Austria have taken under control certain property largely of household goods which came from the so-called Hungarian Gold-Train. It does not could include any substantial amount of gold or precious stones."



At present only a fraction of the former Jewish population is living in Hungary. Most of this Jewry consists of those, who returned from the Nazi camps of annihilation or from labour service completely plundered and despoiled of their fortunes. The Jewry, that was rescued and liberated in the ghetto of the Capital was left plundered just the same way. All these could save their bare existence only in such a way, that they nourished their ragged bodies from the gifts, given by their Jewish brethren overseas, which they still continue to give.

Apparently among the abducted valuables in question there is a great proportion of such valuables, the owner or heirs of which have returned and lay a rightful claim to their identifiable valuables. The valuables, which are not identifiable, would get into the possession of the so-called Jewish Rehabilitation Fund, provided, for by law, destined for the relief of former persecutees in need. The management of the great Jewish organisations abroad, The Jewish Agency and the American Joint Distribution Committee have conducted negotiations with our consent on the basis of maintaining the right of disposal of the official Jewish leadership in Hungary in the course of the last year for the release of those valuables.

After having given this authorization no communication about this matter reached us for a considerable period. It was only at the beginning of this year, that the United Nati-

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has referred these valuables to the sphere of authority of the International Refugee Committee working within its organization with the instructions, that they should be used for Jewish purposes in 90 % according to the disposition of the American Joint Distribution Committee and the Jewish Agency.

After receipt of this communication, we sent our telegram repeated above in protest to the Governments of the United States and France.

We express our deep regret over the fact, that the decision in this matter, which is mainly the concern of the Hungarian Jewry took place without our having been given a chance to have our say in the matter or our having been heard about it.

Anyway we gratefully recognize the fact, that the United Nations did not regard the valuables in question as a war-booty and remaining true to the principles of justice and equitableness, did not mean to confiscate the valuables, robbed by the Fascist Governments of Hungary, from the Hungarian Jews by discriminatory and cruel decrees, on the contrary, they wanted to return them.

A fraction of the deported Jews returned to Hungary - another fraction escaped at home - these lay a legitimate claim to the valuables they or their relatives were robbed of. So, where the possibility of identification exists beyond doubt and is proved, the owner reclaims his valuables rightfully on the basis of the principle of private property. As to the Jewish valuables which cannot be identified, as we have stated above, the Law provides in a sense that these should form the property of the Jewish Rehabilitation Fund, established with the destination of supporting individuals plunged into misery by Fascist persecution and institutions established for their Relief.

The Hungarian Minister of Finance set up a Committee by decree No. 5950/1946, with the task of investigating, assuring, taking over and repatriating the abducted Jewish valuables. The Minister of Finance has appointed undersigned Dr. Emery Reiner the Chairman of this Committee.

We ask you respectfully - to give a chance to the Chairman of this Committee, and possibly to its other appointed members by way of competent organs - to gain information on the spot of the present place of storage, the substance value and estimates of the valuables in question and of the necessary measures to be taken, and that the most far reaching right should be granted to them, as the representatives of the legitimate owners of these valuables to make investigations, inventories, to safeguard and to take over the valuables. In accordance with the note of the United States Government we have appealed to the management of the American Joint Distribution Committee and the Jewish Agency. Our letter to them clearly lays down the standpoint of the Hungarian Jewry in this question.

We repeat our request respectfully, that either by a new decision or by the amendment of the mandate, given to the

International Refugee Commission - the right of disposal over
the valuables in question - should be assured to the under-
signed representatives of the Hungarian Jewry for their being
used in behalf of the Hungarian Jewry.

Respectfully yours

Dr. Ernest Munkácsi
Manager - Director

Lewis Stoklier
President

of the
Central Board
of Jews in Hungary

Dr. Emery Reiner
Legal-Adviser, Vice-President
of the
Autonomous Orthodox Israelitic
Central Board of Jews in Hungary.

Dr. Emery Reiner
Chairman of the Committee for
the Repatriation of Abducted Properties.

337188

CONFIDENTIAL

Paris Letter # 248

December 30, 1948

To : AJDC - NEW YORK - Att. Mr. Eli Rock
From : AJDC - PARIS - Office of General Counsel
Re : OGC/REP/21 - Restitution of Property - Hungary

We make reference to your letter #1672, dated December 21, 1948 and wish to inform you as follows:

We have learnt that the note of November 28, 1948 mentioned by USNA refers to such valuables which have been restituted by France to Hungary. The smallest party only of those valuables is identifiable. Amongst them there are about 200 items bearing the name and address of the original owners. We have been informed that these owners have been requested to present themselves. - It is not yet known whether the other valuables will be transferred to the Jewish Fund.

We cannot write AJDC BUDAPEST on this matter, but should Mr. Fisher go there, he would secure further information, especially whether there is any list available of the original owners of the identifiable items.

In this connection, we wish to inform you that about a letter, which we received in May 1948 from Dr. Nehemia Robinson, of which we enclose copy. We also enclose copy of our reply of June 10, 1948.

We learnt that the former Hungarian Finance Minister Nyarady, is just now in Switzerland. The latter has discussed with the French Government the question of the restitution of the valuables. We believe he will be prepared to inform a Jewish Organization as to which conditions the French Government tied with the restitution of the valuables.

We would suggest that you give our present information on to Dr. Robinson, and discuss with him any eventual further steps.

Dr. Kurt Vahle
Attorney

KV/gv
Encl

337189

HUN/20

Box 2-29
Folder SS
Reports 1945-4

C O P Y

N. Y. TIMES - December 30, 1948

HUNGARY REPORTED KEEPING JEW'S GOLD

Ex - Official Says Metal and Jewelry Recovered From Nazis Are Not Restored

By John MacCormac
Special to the New York Times

Vienna, Dec. 30 - The Hungarian Government according to one of its former officials who fled to Vienna, is breaking a Hungarian law that says that gold and jewelry stolen by the Nazis from Hungarian Jews should be returned to the former owners if they are identifiable and made available to the Jewish community if they are not.

Simultaneously, the Government is complaining that "Hungarian national assets are being auctioned off in New York" without mentioning that the proceeds of the auction will go to the International Refugee Organization.

In his recent budget speech, Ernoe Geroc, Minister of Transport and a leading Communist, declared:

"The famous gold train, containing twenty cars, carried stolen Hungarian gold, jewels and furs, and it got as far as Werfen, near Salzburg. Hungarian authorities asked vainly for its restitution. In 1947 the Americans shipped the cargo of the whole gold train to New York. Some time ago, catalogues advertising the auctioneering of these gold objects and jewels, mostly stolen from Hungarian Jews, arrived."

The story behind all this is that Britain and the United States turned over the gold and jewelry in question to the International Refugee Organization. The French restored to the Hungarian Government what had fallen into their hands, amounting to almost a ton and a half of gold and a quantity of jewelry.

The Hungarian Parliament had passed a law in 1946 obliging a display of the restituted treasure so that the owners who could identify it could reclaim it and requiring the unidentified part to be made available to the Hungarian Jewish Community.

When the French shipment arrived, however, according to Hungarian officials in a position to know, an order was issued that it should not be put on display on the ground that some of it was Nazi treasure. A few days later two rings bearing swastikas mysteriously appeared among the jewelry. The Hungarian Supreme Economic Council announced that "the jewels generally are not identifiable." The stones were removed and the gold melted down. The gold was sent to the National Bank, which placed its equivalent - in paper forint at a nominal rate that represents one-fifth of its real value - in a special account.

337190

Dec 30, 1948

NY TIMES

Box 2-29

Jan 120

No one knows what happened to the stones, and the Jewish community so far is said not to have had the benefit of the gold, or even of its paper equivalent.

337191

REPORT PRINTED IN THE NEW YORK TIMES ON DECEMBER 30, 1948

1R0 1163.2

"HUNGARY REPORTED KEEPING JEWS' GOLD"

"EX-OFFICIAL SAYS METAL AND JEWELRY RECOVERED FROM NAZIS ARE NOT RESTORED"

By John MacCormac
Special to the New York Times

Vienna, Dec. 29 - The Hungarian Government, according to one of its former officials who led to Vienna, is breaking a Hungarian law that says that gold and jewelry stolen by the Nazis from Hungarian Jews should be returned to the former owners if they are identifiable and made available to the Jewish Community if they are not.

Simultaneously, the Government is complaining that "Hungarian national assets are being auctioned off in New York" without mentioning that the proceeds of the auction will go to the International Refugee Organization.

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No one knows what happened to the stones, and the Jewish community so far is said not to have had the benefit of the gold, or even of its paper equivalent".

337192

opc/Rep/21

THE AMERICAN JEWISH
JOINT DISTRIBUTION COMMITTEE, Inc.

270 MADISON AVENUE, NEW YORK 16, N.Y.

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ISIDOR COONS, Director of Fund Raising
HARRY M. ROSEN, Director of
Community Service and Information

DEC 21 1948

December 21, 1948

JF

Letter No. 1672

To: AJDC PARIS - Office of General Counsel

From: AJDC NEW YORK

Re: Restitution of Property - Hungary

Attached we are sending you copy of a memorandum from the United Service for New Americans, dated December 15, 1948, which you will find self-explanatory.

We have no information on the question raised in the above memorandum and would therefore appreciate it if you could let us have whatever data you may have in this matter.

Eli Rock

Eli Rock
Counsel, AJDC

ER:AU
Enc.

337193

OCC/REP/21

UNITED SERVICE FOR NEW AMERICANS

Interoffice Memorandum

To: Mr. Eli Rock
JDC, New York

Date: December 15, 1948

From: Edward Phillips
Migration Department

Subject: Restitution of Property
in Hungary

You have undoubtedly seen the following news item in the JTA News Bulletin of November 28, 1948:

"BUDAPEST, Nov. 26. (JTA) -- The Ministry of Finance today issued an order providing for the return of Nazi-looted valuables to their rightful owners provided they can identify themselves and prove ownership.

"The valuables are kept in vaults with the names of the owners attached to each item. The owners will be summoned by the authorities to appear in person to claim their belongings. In cases where the owners have perished, the property will eventually be turned over to the Jewish Fund."

Have you any additional information on this subject? Has the JDC office for Hungary made a list of the owners of the property available to you? Is there any time limit for filing claims? Any supplementary information that you can make available will be appreciated. We should like to give this item publicity in the coming issue of our SIB.

EP/vnd*

337194

COPY

JDC 45/64 file 3840

AMERICAN JOINT DISTRIBUTION COMMITTEE
PARIS

pen J Ro

~~March 10, 1950~~

File #3840

Paris Letter No.4091

To: AJDC New York - Attention Mr. Eli Rock

From: AJDC Paris

Re: Italian Loot

I am enclosing copy of a letter from Jimmy Rice to Moe Beckelman which deals with the above mentioned subject. You will recall that some time ago I feared that IRO^O may be the source of a maneuver to have the Italian loot used for general IRO purposes instead of - reparations. The effort seems to be developing, but it is the British delegate to IRO who is raising the point. You may want to take this problem up with Sy Rubin, though I expect that George Warren will resist Edmunds' suggestion.

Jerome J. Jacobson
General Counsel

337195

CONFIDENTIAL

Geneva, March 7, 1950
Letter No. 947

To: Mr. M.W. Beckelman - AJDC Paris
From: Mr. James P. Rice - AJDC Geneva
Re: Reparations

In the next week or two, we shall be receiving our share of approximately 670,000 Swiss francs which the Banking House of Julius Bar in Zurich has been liquidating from the Austrian loot. I shall follow up on this matter.

I have heard from a confidential source that our old friend, Mr. Edmunds, has been proposing to the State Department that the Italian loot does not rightly belong to reparations. You will recall that it was supposed to have been decided that 50% of the estimated 10 to 15,000,000 dollars in Italian loot was to go to Reparations and 50% to aid Italian war orphans. Edmunds is said to be proposing that the 50% share should go to the IRO general fund rather than to reparations. For obvious reasons, it seems most unlikely that such a proposal would be accepted by the State Department, but nevertheless, I thought you should be aware of it and may wish to transmit this information to New York.

I shall try to discuss this informally with Mr. Warren who I am sure will not be sympathetic to Edmund's proposal.

James P. Rice

cc: Mr. J.J. Jacobson
Mr. S. Shargo

337196

21B

S1106

November 7, 1950

Paris Letter No. 4831

To: Dr. Joseph J. Schwartz
AJDC NEW YORK

Re: Becher Deposit

(1) In accordance with your request I wrote some time ago to Mr. Posner asking him to advise me about the present status of the Becher Deposit.

(2) I subsequently received a reply from him stating that this account had been turned over to Mr. Lacr representing the Jewish Agency in Geneva.

(3) I thereupon wrote Mr. Lacr in the same terms as I had written Mr. Posner. I have not yet had a reply from Mr. Lacr but Mr. Adler Rudel has brought me a message to the effect that I shall be hearing from him shortly and has given me the following oral report on the present status of the Becher Deposit.

(4) Most of the assets of that Deposit have been liquidated and have realized about \$40,000 in cash. There still remain some diamonds to be realized but Mr. Adler Rudel reports that this does not amount to very much. From this amount of \$40,000 there will have to be deducted certain expenses incurred in the past such as storage and insurance. The remainder would presumably be available for distribution between JDC and JAFP, subject to the reservation that a number of individual Hungarian Jews have presented claims against the Becher Deposit. These have been referred to Israel where they are now being considered and Mr. Lacr is anxious to know whether we have in the past received or settled any such claims.

+ JDC

Pending the receipt of a formal reply from Mr. Lacr I would appreciate knowing whether you have any information regarding this matter of individual claims against the proceeds of the Becher Deposit.

M. W. Beckelman

MWB/fo

cc: Mr. J. Jacobsen

337197

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August 30, 1947.

1163

File

JM

To: Dr. J.J. Schwartz

From: Mr. Joel Fisher

Re: Latest information regarding non-monetary assets.

I spoke with Geneva this morning and found that Abba Schwartz is in Zurich today speaking with Dr. Kaplan on various reparation matters. He is planning to be in Frankfurt during the middle of the week, so that it may be that you will not be seeing him when you talk with Dr. Kaplan.

The following is a summary of the latest developments concerning the non-monetary assets which was given to me by Mr. David Rohlbein who is assisting Abba:

- (1) The previous conservative estimates of \$700,000 for the non-monetary gold in Germany and the 2½ Million Dollars for the Hungarian Gold Train in Austria are still considered valid. All of the non-monetary gold in the U.S. Zone in Germany has been inventoried and packed, and some of the gold has already been transferred to the U.S. Zone, Germany. They are aiming for a dead line of September 30 to have inventoried and packed all of the contents of the Hungarian Gold Train - however, they think they will not be able to meet this dead line.
- (2) Rohlbein could not be specific on the phone, but he said that he thinks that they will have \$700,000 to 1 Million Dollars available from the sale of the non-monetary gold which is presently being smelted in the U.S. Zone, Germany. The exact amount will depend on the price they are able to obtain. They believe that they will have Dollars available within 30 - 60 days.

Joel Fisher

JF/hf

337198

CONFIDENTIAL

Paris Letter # 248

December 30, 1948

To : AJDC - NEW YORK - Att. Mr. Eli Rock
From : AJDC - PARIS - Office of General Counsel
Re : OGC/REP/21 - Restitution of Property - Hungary

We make reference to your letter #1672, dated December 21, 1948 and wish to inform you as follows:

We have learnt that the note of November 28, 1948 mentioned by USHA refers to such valuables which have been restituted by France to Hungary. The smallest party only of those valuables is identifiable. Amongst them there are about 200 items bearing the name and address of the original owners. We have been informed that these owners have been requested to present themselves. - It is not yet known whether the other valuables will be transferred to the Jewish Fund.

We cannot write AJDC BUDAPEST on this matter, but should Mr. Fisher go there, he would secure further information, especially whether there is any list available of the original owners of the identifiable items.

In this connection, we wish to inform you that about a letter, which we received in May 1948 from Dr. Nehemia Robinson, of which we enclose copy. We also enclose copy of our reply of June 10, 1948.

We learnt that the former Hungarian Finance Minister Nyarady, is just now in Switzerland. The latter has discussed with the French Government the question of the restitution of the valuables. We believe he will be prepared to inform a Jewish Organization as to which conditions the French Government tied with the restitution of the valuables.

We would suggest that you give our present information on to Dr. Robinson, and discuss with him any eventual further steps.

Dr. Kurt Wahle
Attorney

EW/gw
Encl

337199

124 A
Reparations
26th January, 1947. (113 letters)
DOCUMENT

To : The Director
From : Abba P. Schwartz, Reparations Officer.
Subject : REPORT ON CONFERENCES WITH USFA OFFICIALS IN VIENNA AND SALZBURG
JANUARY 14 to 23 IN CONNECTION WITH PLANS FOR ACQUISITION BY
I.G.C.R. OF THE HUNGARIAN GOLD TRAIN.

GENERAL OBSERVATIONS.

Implementation by USFA of the Hungarian Gold Train Directive falls upon the two following divisions :-

- (1) Restitution, Deliveries and Reparation (R.D. & R) headed by Mr. James A. Garrison.
- (2) Finance Division headed by Mr. Arthur Marget.

The Finance Division was most interested in the Hungarian Gold Train in connection with the determination of its disposal. Since I.G.C. has been authorised to receive the train, R.D.& R. is the branch which is now principally concerned and charged with the implementation of the Directive.

Conferences were held with the following USFA Officials in Vienna and Salzburg :-

Brig. Gen. Ralph H. Tate	- Deputy Commanding General USFA H.Q.
Brig. Gen. Hickay	- Chief of Staff
Mr. John H. Adler	- Acting Chief of Finance Division
Mr. Gabriel Kerekes	- Chief of Foreign Credits Branch, Finance Division.
Mr. James A. Barr	- Deputy Chief R.D. & R. Division
Mr. Walker Treese	- Chief Property Control Branch, R.D. & R. Division.
Col. Ernest T. Owen	- Chief of German External Assets Branch
Col. Hyde	- Deputy Chief Military Government Officer.
Lt. Col. Edgar S. McKee	- Chief of Reparation and Restitution Branch R.D. & R. Division.
Capt. W.S. Mackenzie	- Military Government Property Control Officer.
Mr. Verne Kennedy	- Chief Property Control Restitution Section of Office of Chief Military Government Officer.
Mr. Cloud	- Chief of Movable Property Sub-Section of R.D. & R. Division.

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Jan 26, 1947
to Director from A. Schwartz

Though conferences were held with all of the above mentioned interested persons in Vienna and Salzburg, our work will hereafter be with the Acting Chief of the R.D. & R., Mr. James Barr, and Mr. Walker Treece, Chief of the Property Control Branch, whom Mr. Barr has assigned to be in charge of implementing the Directive with the I.G.C. The Deputy Commander, Brig. Gen. Tate, will be kept advised through Mr. Barr of all plans and negotiations which I work out with Mr. Barr and Mr. Treece.

Mr. Gabriel Kerekes, Chief of Foreign Credits Branch, Finance Division, being a close friend of Mr. Fisher, was of great assistance in expediting our visit and in placing us in contact with the necessary persons. With Mr. James Barr, a close friend of mine, in charge of the R.D.& R., I.G.C.'s position received most sympathetic consideration from him, and we can expect through Mr. Kerekes and Mr. Barr to have full and complete cooperation in connection with our work in acquiring the Hungarian Gold Train contents.

HISTORY OF THE HUNGARIAN GOLD TRAIN

The so called "Hungarian Gold Train" was loaded at Budapest by Hungarian Nazis and consisted of 44 cars, 24 of which contained valuable personal property of Hungarian Jews of three southeastern Hungarian counties, and the remaining 20 cars were occupied by Hungarian Nazis. The property had been seized not only from the houses of the Jews, but also from bank vaults, pawnshops and other places where Jewish property was found. The Nazis who occupied the 20 cars are believed to be those who wanted to retire to the Tyrol where it was expected that the Germans would make their last stand. The train was guarded by a squadron of Customs Guards and police, as well as the Nazis who occupied the 20 cars. To avoid the Russian advance the train started westward. The last stop in Hungary was in Breunburg when it is

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Jan 26, 1947
To: Director
From: H. Schwartz

believed the Hungarian Finance Minister removed a great portion of gold. As it went westward the Americans approached and picked it up at a point near Salzburg, The consensus of opinion is that the most valuable contents of the train, in particular, boxes of gold, diamonds etc., were removed by Hungarian and German Nazis in the Tyrol area, and that aside from that which the Nazis succeeded in dividing among themselves, a great portion fell into the possession of the French.

PHYSICAL ASPECTS OF THE HUNGARIAN GOLD TRAIN

The contents of the Hungarian Gold Train were placed in a large warehouse in Salzburg, where they are presently stored. Having been given access to part of the original inventory which the Army made when the contents of the train were stored in the warehouse, I learned that the following is a partial list of what was removed from the train and stored in the warehouse / X

- 650 large boxes and suitcases of silverware
- 200 " " of china and porcelain
- 175 boxes and suitcases of personal items, mostly silverware.
- 300 boxes of table silver
- 12 large crates of dry goods, linen and wool goods
- 45 cases of assorted silverware
- 11 cases of steel watches and clocks.
- 75 cases of old watches and clocks mostly silver.
- 13 boxes of assorted silver and coins.
- 20 silver bars
- 7 suitcases of bank vault envelopes containing jewellery
- 1 diamond pendant and diamond watch found in suitcase (presently stored in a safe.)
- 1 diamond bracelet found in paper envelope, (presently stored in a safe.)

- 1 large case of cameras and opera glasses
- 4 boxes of opera glasses
- 1 cases 2 boxes and 1 trunk of cameras
- 13 trunks and 2 suitcases containing stamp collections
- 4 suitcases and 1 small and 1 large box containing stamp collections
- 40 cases of paintings marked "Varosi Museum, Győr."
- Numerous boxes of furs
- 5,000 rugs
- Boxes containing personal jewellery items, including gold rings and watches etc.
- Various boxes containing items such as draftsmens instruments.

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Jan 26 1947
To Director
From A. Schwitz

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The above is not believed to be a complete inventory of what was stored in the warehouse, since all of the records were not examined by me.

The safe keeping of the property in the warehouse has been a source of trouble to USFA Officials in Vienna and Salzburg. Since a large portion of the property consists of rugs and furs which deteriorate quickly, a good deal of these items have already deteriorated, despite the fact that the Army recently had the furs re-stored in boxes with moth preventatives and the rugs were cleaned to help prevent deterioration. Nevertheless, since these items are stored in a barren warehouse, deterioration of the rugs and furs continues and makes it essential that to prevent further loss we get the property removed as quickly as possible from Salzburg.

Some of the items of jewellery, silverware etc., which were found in numerous suitcases were re-packed by the Army in other boxes and crates so that comparison cannot be made with the Army's original inventory and the present number of crates, boxes etc.

Generally speaking the property is bulky, since it consists in large part of personal silverware and some 5,000 rugs. There are only about 10 small boxes and 2 suitcases containing wedding rings, gold watches etc., which may be of appreciable value. None of the items in the warehouse have been appraised or individually inventoried, with the exception of the rugs and the fur coats which apparently were counted.

Since this property consists largely of bulky silver items, rugs, fur coats, cameras, all of doubtful value, and a relatively small quantity of valuable personal jewellery, I do not believe we will net from the 337203 Hungarian Gold Train property nearly as much as I anticipated before I viewed it.

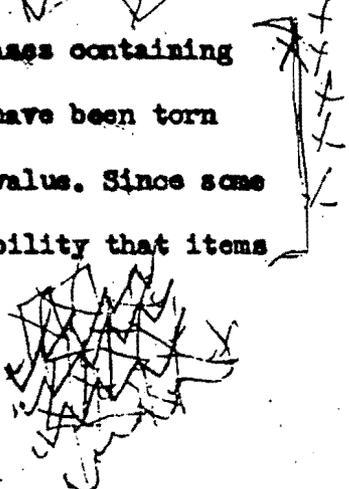
Jan 26 1947
To Director
From A. Schwartz

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It should be noted, however, that there are several suitcases containing envelopes with personal jewellery. Some of these envelopes have been torn open and appear to contain items which may be of appreciable value. Since some of the envelopes have not been opened there remains the possibility that items of appreciable value may turn up in the process of inventory.

SUMMARY OF CONFERENCES WITH R.D. & R. DIVISION
REGARDING JOINT INVENTORY AND APPRAISAL AT
TENTATIVE AGREED VALUE.

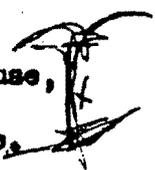


Since an item by item inventory and appraisal of the contents of the warehouse would lead to almost endless work, in view of the quantity of silverware and rugs which comprise the great part of the property, and by reason of the constant deterioration of the rugs, silverware, furs and watches, I deemed it necessary to suggest to the R.D. & R. a method of joint inventory and appraisal which I believe will be most expeditious. I recommended that we appraise the bulky silverware on a basis of weight. To avoid examination of each item to determine whether or not it is in fact silver, I further suggested that we would be willing to receipt for crates of a determined weight containing items alleged to be silver at a tentative agreed valuation, based upon the price of silver times the weight of the contents of the crate. Similarly I suggested that we would be willing to receipt for crates of an undetermined quantity of watches, clocks and cameras etc., at a nominal valuation. As for the rugs, I suggested that they be counted and that we would be willing to receipt for the total at a valuation based on a nominal price per rug.

Jan 26 1947
To Director
From A. Schmitt

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The R.D. & R. was very glad to receive this suggestion of what I called "an overall inventory and appraisal." They realized that this simple method would greatly expediate the inventory and appraisal. It was suggested that a valuation of 15 or 20 dollars per rug would be reasonable, and I agreed that we multiply the total number of rugs by 20 dollars. Though I was unable to accurately judge the number of rugs which I saw in the warehouse, I am nevertheless doubtful that they do not total as was indicated to me.



In connection with the rugs, R.D. & R. told me that they had brought in an Austrian rug expert who said there were no rugs of unusual value in the lot.

As a result of conferences with R.D.&R we have tentatively agreed, subject to approval by General Tate, that appraisal of the bulky property such as the silverware, will be on the basis of weight times market price of silver, and that when I.G.C. receipts it will be for cases with contents alleged to be sulver and weighing blank amount at blank tentative agreed value.

We have also agreed/that to avoid individual appraisal of jewelry items which appear to be of value merely for gold content, appraisal will be on basis of weight times market price of gold, and I.G.C. will similarly receipt for boxes alleged to contain gold of blank weight at blank tentative agreed value. R.D.&R has assured me that because of the anxiety of USFA to relieve itself of responsibility, there is little ~~ambiguity~~ doubt but that Gen. Tate will agree to this "overall inventory and appraisal".

337205

Jan 26, 1947
to Director
from Schwartz

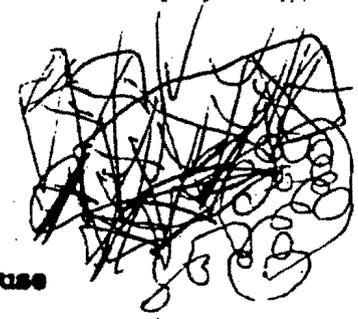
Under our tentative plan the method of appraisal is a simple one. Taking into account ^{that an} item by item appraisal will have to be made before the property is actually liquidated. I told R.D. & R. that we were not particularly interested in the valuation placed upon property for purposes of receipt and would therefore like to avoid the expense involved in bring an American appraiser to Vienna. R.D. & R. suggested that the services of an Austrian appraiser can be easily obtained, and I tentatively agreed that we would use an Austrian appraiser as our representative on this phase of the operation.

By reason of the bulk involved, it is clear that our operation at the Salzburg warehouse is one which will require more of the services of hands to move the property and pack it, than the services of experts. R.D. & R. suggested that D.P. labour could be obtained easily so that we would not have to bear the expense of importing persons from the States or elsewhere, to assist in packing and moving the property. I suggested that for various reasons I should like to avoid the use of D.P. labour in this operation and requested the Army to consider whether it could assign Military Personnel for this purpose. Since returning to London the R.D.& R. have advised that they believe Gen. Tate will assign two commissioned officers to represent *ACFA* in supervisory capacity and sufficient other Military Personnel to handle the packing and moving.

I have advised R.D. & R. that we will furnish an I.G.C. person (U.S. citizen), who will be our representative at the Salzburg warehouse for the appraisal and inventory, and that if possible we will also assign an assistant to him.

The R.D. & R. agreed that I.G.C. staff consisting of the following would be sufficient :-

Jan 26, 1947



- (1) A supervisor (U.S. citizen) at the warehouse
- (2) An assistant supervisor (U.S. citizen)
- (3) An Austrian appraiser.

If the Army furnishes the necessary hands to pack and move the crates this staff will be sufficient.

The R.D. & R. indicated that it would appreciate it if I.G.C. makes arrangements for obtaining crates suitable for shipping the property. They told me that there is a factory in Vienna which could ^{on} at short notice manufacture the necessary crates for shipment. While I believe the Army might well furnish the shipping crates ~~itself~~, I agreed that we would bear the cost of procuring the crates from the factory in Vienna. The cost of the crates will be relatively small, and I do not deem it advisable not to concur with this request. If it appears at a later date to be more practical for the Army to contract for the crates, I am confident that they will do so.

I advised Mr. Barr and Mr. Treese (R.D. & R. Division) of the Customs problem which I.G.C. faces, and I told them that I intended to get the State Department to issue a Directive ordering USFA Headquarters to ship the property, upon I.G.C.'s request, to the U.S. where I.G.C. will receipt for crates which will be jointly sealed at the Salzburg warehouse. I also told them that in view of the rapid deterioration of the property, it is urgent that we remove it from Salzburg as quickly as possible.

Mr. Barr told me that it would be a simple process for the Army to ship the property direct to New York, as dependant's trains leave Vienna and proceed all the way to Bremenhaven. Cars containing Hungarian Gold property could be

Jan 26 1947

hooked on to a dependants' train. At Bremerhaven it could be loaded aboard an Army freighter and delivered to New York.

I advised Mr. Barr and Mr. Treese that I was proceeding to the U.S. on January 29, and that I hoped to obtain from the State Department a Directive which will order shipment of the property to the U.S. upon I.G.O.'s request. I also told them that I will obtain a U.S. citizen supervisor and an assistant if possible in the U.S. They agreed that an Austrian appraiser could be picked up in Vienna at any time at all. They requested that I keep in touch with them from the U.S. and they agreed that if any other tentative plans do not meet with the approval of Gen. Tate they will advise me without delay.

I made special enquiry about the Art works which are in the warehouse and marked "Varosi Museum, Gyor". I was told that most of these will be returned to the Museum, since it is U.S. policy to return works of art if the place where they were looted is known. They said that prior ownership of some of the pictures may be in doubt so that we may receive a few works of art among the property.

CONCLUSIONS.

(1) The situation with regard to the Hungarian Gold Train property is different in two major respects from the loot at the Reichsbank.

- (a) The Hungarian Gold Train Property consists largely of bulky items, in contrast to the numerous items of valuable jewels which are in the Reichsbank in Frankfurt.

Jan 26 1947

(b) The appraisal of the property in Frankfurt has been an orderly and efficient process, whereas in Salzburg no real appraisal or inventory has been made.

(2) In view of the deterioration of a great part of the property it is necessary that we have it shipped to the States as quickly as possible. The simple inventory and appraisal method discussed previously will make for speed. Unlike the operation at the Reichsbank, Frankfurt we should be able to avoid a detailed appraisal.

(3) The proceeds upon liquidation of the Hungarian Gold Train property are not likely to be as substantial as was anticipated.

(4) The "overall inventory and appraisal" can probably be completed in a period of six weeks to two months, or less, after we begin work at the Salzburg warehouse with the Army.

RECOMMENDATIONS

I suggest that I proceed to the U.S. to accomplish the following :-

(1) To hire American personnel, for the Salzburg operation, consisting of the following :-

(a) An I.G.C. representative to be stationed at Salzburg (proposed salary between \$6,000 and \$7,000 per year; contract until June 30, 1947.)

(b) An assistant to the representative described in (a) above (proposed salary \$5,000 to \$6,000 per year: contract until June 30, 1947.)

NOTE: The reason for the need of an assistant representative at Salzburg is due to our intention not to have any appraisers other than one Austrian, whereas in the Reichsbank

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Jan 26 1947

at Frankfurt we intend to have an American appraiser and several Europeans who will assist the representative in the taking of the inventory. With a supervisor and assistant at Salzburg the "overall appraisal and inventory" can be completed quickly.

- (2) See paragraph (2), page 6 of my report of Trip to Germany dated 26 January, 1947.
- (3) See paragraph (3), page 7 of my report of Trip to Germany dated 26 Jan. 1947.
- (4) " " (4) " " " " " " " " " " " " " " " "
- (5) " " (5) " " " " " " " " " " " " " " " "

As indicated in the above referred to report of Trip to Germany dated 26 January, I have arranged to sail to the U.S. on Wednesday January 29, and have made tentative arrangements for meeting with the interested government persons and department store officials so that I anticipate beginning work without delay upon my arrival.

Abba P. Schwartz.
Reparations Officer.

Mr. S. Charge

MEMORANDUM

325 A
Becher
Deposit

SS

November 29, 1950

To : Mr. J.J. JACOBSON

From : Dr. Kurt WEHLE

Re : OGC/SW/10 - Switzerland Varia - Becher Deposit.

RECEIVED BY THE
ACCOUNTING DEPARTMENT
30 NOV 1950
ON

I refer to my Memorandum to you of November 22, as far as the Becher deposit is concerned and should like to add that, to-day, we found by chance an old file in our filing cabinet concerning this matter. I attach for your further information:

- a) copy of letter from The Jewish Agency for Palestine, Washington, to Mr. Moses A. Leavitt, of December 10, 1946.
- b) copy of letter from Lavy M. Becker to Mr. Oscar Cass, Washington (12.17.46).
- c) copy of letter from J.H. Hildring to Mr. Leavitt, of January 14, 1947, and of his letter to Mr. Goldmann, of same date.
- d) copy of letter from Dr. Schwartz to Mr. Eleazer Kaplan, of Febr. 18, 1947.
- e) copy of letter from Dr. D. Arian to Dr. Silver, Vienna, of March 12, 1947.

From this material it is evident that the Becher deposit has been handed over at the time to the Jewish Agency upon a decision of the State Department and that the Jewish Agency was supposed to act as the trustee of those assets and to ascertain the claims of surviving contributors and to return identifiable property.

We see further that the Jewish Agency was acting in this matter on behalf both of the Jewish Agency and the JDC.

We finally learned from the material that the American Jewish Committee and the American Jewish Conference claimed with the State Department the rights of the Hungarian Jewish Community concerning the Becher assets. - On the other hand, there is no indication in the file as to what happened afterwards and whether or not the deposit is still intact.

The Office of General Counsel did not act in this matter otherwise than writing JDC Vienna on November 5, 1947, advising them that this matter "will be handled exclusively from here". This letter was written in reply to a communication received from Mr. Butler, the legal adviser of JDC Salzburg, indicating that he had initiated some investigations in order to "justify the suspicion that considerable parts of this treasure disappeared without trace."

According to Butler the originally seized treasure was evaluated with about

337211

- 2 -

3a SA
Becker deposit
NOV 24 1950
TO Jacobson

\$800,000. whereas the valuables turned over to the Jewish Agency were evaluated with \$50,000. only.

The copy of the letter from the Legal Department to Vienna of November 5, 1947. is the last document in our file.

I therefore repeat the suggestions made in my last Memorandum to you.

Dr. Kurt Wehle

cc: Mr. M.W. Beckelman
Mr. S. Shargo.

Enc.

337212

COPY

INTER-OFFICE MEMORANDUM

1st December, 1950.

To: Mr. L.C. Stephens,
General Counsel.

From: E. Benson,
Office of the Comptroller.

1. Please see attached copy letter from Mr. Abba P. Schwartz of 18 November last in reply to our enquiry of 2 November regarding disposal of the adjustment payment of \$7,266.53 vis-a-vis IRO and Reparation Fund which had been credited to Reparation Dollar Account. In compliance with his request this has been transferred to the Hamilton National Bank for account of Liquidation Expense Account and is therefore no longer available for distribution to the Agencies. This reduces the amount so available to \$9,245.64 made up as under:-

Sw.Fcs. 34,067 = \$ 7,840.50	{ Received from Julius B&R & Co. - represents balance of proceeds realized from sale of looted currencies from Austria.
\$ 398.44	{ Payment of claim by Messrs. Matthew Wrightson & Co. Ltd., representing Dollar equivalent of the loss of currency Lire 230,611 occasioned in March 1948.
\$ 1,006.70	{ Nett proceeds realized by Samuel Montagu & Co. on sale of five cases scrap silver from Salzburg.
<hr/>	
Total \$ 9,245.64	
<hr/>	

For distribution as under:-

For payment to:-

JAFP	54%	\$ 4,992.65
AJDC	36%	\$ 3,328.43
For credit to		
Non-Jewish Agencies		
Account	10%	\$ 924.56

\$ 9,245.64

337213

2. In addition to the foregoing, it is recommended that the undermentioned small odd balances in other currencies still on our books should be cleared before the end of the current year:-

The latter are the shares due to JAFF and AJDC of French Francs 60,444 owed by IRO to Reparation Fund and represent receipts paid to IRO Paris by Mr. Winton on 23 February 1949, being the proceeds realized from sale of various coins and medals.

3. There is also an odd sum of Belgian Francs 153.26 on our books to the credit of the Non-Jewish Agencies Account. It is recommended this should be converted into French Francs.

4. Would you kindly obtain the Deputy Director General's approval for distribution and disposal of the above.

(Signed) E. BENSON
for Comptroller.

Approved for distribution
and disposal as outlined.

(Signed) J.D. Kingsley
6/12/50

cc: Mr. Scholes
Mr. Ferret
Registry
Float
Chron.

ה'סוכנות היהודית לארץ ישראל

THE JEWISH AGENCY FOR PALESTINE

Telephone : 523 47

Cables : Palagency

Genève, November 15th 1950.

1, place de Hollande

Mr. M.V. Beckelmann
Vice-Chairman
A.J.D.C.
119, rue St. Dominique
Paris 7e.

Dear Mr. Beckelmann,

Please excuse me that I am replying to your letter of October 25th only today, but I was always on the move.

As to the so called Becher Deposit, we have realized until now the main part of it and have received a brutto amount of \$ 44.595.- A small part, which consists of jewellery, valued at somewhat over \$ 5000.- still awaits realization, but I hope to settle the whole affair shortly.

Against it there were substantial expenses which during the 2 years before this office has taken the deposit over, were paid by Dr. Pozner and afterwards by us. Expenses consisting mainly of storage and insurance.

I am sorry to say, that the existence of an agreement between the JDC and the Jewish Agency in this respect, was unknown to me. I have always reported to Jerusalem and credited and debited all amounts to the Jewish Agency's treasury office. I know however, that a list of substantial claims of Hungarian Jews exists, claims which as far as I understand, were to be paid out of the proceeds of the Becher Deposits.

I am forwarding a copy of your letter and of mine to Jerusalem and will not fail to keep you informed.

Very truly yours,

Eran Laor
Eran Laor
Director

337215
AJDC EUROPEAN HEAD

15 NOV 1950

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NMB