Memo left with Thorp by Schwartzman October 4, 1949

MEMORANDUM

Reference is made to the letter addressed by Mr. William Hallam Tuck, then Director General of the International Refugee Organization, on April 23, 1949 to the Assistant Secretary of State, Mr. Thorp. In that letter the hope was expressed that it would be possible promptly to achieve payment of approximately 14 million Swiss francs by the Government of Switzerland to the International Refugee Organization and an advance payment of 100 million escudos out of the proceeds of German assets in Portugal. These sums together make up a balance of $7,500,000 which is still lacking from the fund of $25,000,000 allocated for refugee needs under the Paris Reparation Agreement and the Five Power Agreement of 14 June 1946.

It is understood that in the recent discussions last May and June between the United States, the United Kingdom and France on the one side and Switzerland on the other, the United States favored the making of a request to the Swiss delegation for the further advance payment of approximately 14 million Swiss francs. It is understood, however, that such a request was not in fact delivered to the Swiss delegation and that the matter is to be taken up once more when the Swiss-Allied discussions reconvene, presumably in the Fall of this year.

The recent occurrence of certain events makes it appropriate to discuss this matter once more and for the International Refugee Organization respectfully to urge that the Allied Governments immediately forward to the Government of Switzerland a request for a further advance. In so doing, the International Refugee Organization bears in mind the always sympathetic and helpful attitude of the Government of the United States.

1. Since the adjournment of the recent Swiss-Allied discussions, changes have taken place in the rate of exchange applicable to the Portuguese escudo. It will be recalled that the total amount receivable by the International Refugee Organization on behalf of persecutees was fixed in dollars ($25,000,000) under the Paris Reparation Agreement and the

Five Power Agreement of 14 June 1946. Of this total, $7,500,000 is still due. It is understood that 100 million escudos are earmarked under the Portuguese-Allied Agreement which was initialed in February 1947 but has not as yet been implemented. At the official rate of exchange, this sum of 100 million escudos is equivalent to $3,480,000. Converting the balance of $4,020,000 into Swiss francs at the official rate of exchange of 4.28, it becomes apparent that the sum of 17,205,000 Swiss francs is the appropriate sum which should be requested from the Government of Switzerland. This latter figure should be substituted for the figure of 14 million Swiss francs which has been used in previous discussions.

2. As the Department of State is aware, in discussions which have taken place subsequent to the recent Swiss-Allied negotiations, the Government of the United Kingdom has indicated a willingness to support the request to be addressed to the Government of Switzerland. In view of the previous indications to the effect that the American and French Governments were, during the recent negotiations, prepared to request this advance, it would seem feasible that such a request be made at this time.

3. Officials of the International Refugee Organization have recently had conversations with Minister Stucki in Bern. During the course of these talks Minister Stucki indicated his willingness to recommend payment of a further advance to the International Refugee Organization, stated that he regarded such payment as having priority over any other payments under the Accord, and suggested, in response to a question as to what the International Refugee Organization might do to advance this matter, that further discussions be held with the United States Department of State. It must be stated that it is not entirely clear from the record of the International Refugee Organization-Swiss discussions whether the Swiss Government will make a further advance immediately upon receipt of an Allied request (as was once before indicated) or whether the Swiss advance will be made in connection with overall settlement of Swiss-Allied differences. Nevertheless, it would appear that there is sufficient cause for optimism on this score so as to justify an immediate request to be addressed to the Swiss Government.

In this connection, it may be pointed out that if in fact the Swiss Government is prepared to make an advance only in connection with overall settlement of outstanding issues, this fact will undoubtedly be made plain by the Government of Switzerland, and no prejudice will result either to the objectives of the International Refugee Organization or of the Allied Governments from the making of the request. Moreover, should such a request be made and answered favorably, one of the numerous problems now outstanding would be removed from the agenda for the forthcoming Swiss-Allied meeting. In addition, the present meeting of the General Council of the International Refugee Organization would afford an excellent opportunity for follow-up discussions between the Director General of the International Refugee Organization, Mr. Kingsley, and Swiss authorities.

In view of these circumstances, it is respectfully urged that the Government of the United States consult with the Governments of the United Kingdom and France with a view toward the making of an immediate request to the Swiss Government for an advance to the International Refugee Organization of the sum of 17,205,600 Swiss francs.

International Refugee Organization
Washington, D. C.

October 4, 1949

October 6, 1949

Mr. J. Donald Kingsley
Director General
International Refugee Organization
Geneva, Switzerland

Dear Mr. Kingsley:

I enclose copy of the memorandum which I left with Mr. Thorp during the course of my conference with him on October 4, 1949.

Upon receipt of Mr. Hacking's letter of September 30 relating to the conversation which he and Dr. Eullman had with Minister Stucki on September 28, I discussed informally with appropriate officials of the State Department the status of the tripartite request which the Allied Governments had been considering for sometime. The United States has been anxious to move ahead and obtain the balance of reparation funds due to make up the full $25,000,000; and during the course of the Allied-Swiss negotiations held last May and June, the United States sought to obtain the agreement of the British and French to request a further payment from the Swiss Government. The French agreed to join in such a request, but unfortunately the British did not come prepared with adequate instructions covering this point. The result was that the Allied Governments did not request a further payment for the IRO during the course of the negotiations last May. Since the essential prerequisite to IRO's obtaining additional funds from the Swiss under the Washington Accord is that a request for such payment be made by the three Allies, all of our efforts on this side of the ocean have for a very long time been devoted to persuading the Allied Governments to make such a request.

After the negotiations were concluded in Washington in June, I continued to urge the United States to facilitate the presentation of a tripartite request to the Swiss. Since the French advised the United States that they were ready to join in such a request, there remained only the concurrence of the British to be obtained. The United States approached the British on this subject through diplomatic channels in August; and though a reply has not yet been received, the Department has reason to believe that the British will now be willing to agree to the tripartite request.

The receipt of Hacking's account of the talk with Stucki provided an excellent occasion for me to call upon Mr. Thorp to point out to him that the amount of 14 million Swiss francs which Mr. Tuck had previously requested in his letter of April 22 to M. Perier and his letter of April 23 to Mr. Thorp should be increased to 17,205,600 Swiss francs in order to make up the loss occasioned by the devaluation of the Portuguese escudo; and to urge Mr. Thorp to take appropriate action to accelerate the presentation of a tripartite request.

Since I deemed it appropriate to be accompanied by the highest ranking IRO official in the Washington Office, in General Wood's absence I requested

Colonel Dick to accompany me and he readily agreed. As you will note from the enclosed memorandum which I left with Mr. Thorp, I was careful to make clear that I did not know whether Mr. Stucki would respond to the tripartite request for a further payment to IRO immediately upon receipt of such request or whether he would be inclined to delay until the many problems, intercustodial, etc., between the Swiss and the Allies were completely ironed out. Mr. Thorp and the other State Department officials were most sympathetic to the request that they accelerate the presentation of the tripartite request. They understand that IRO's sole interest in these matters is to obtain the reparation funds in order that the assistance contemplated by the reparation treaties may be made available to the persecutees without further delay.

As I indicated in my calbe to you today, in my opinion the questions of bilateral Swiss-Allied negotiations, intercustodial problems and the like cannot properly be raised by IRO since IRO's position with respect to the Washington Accord is that of a third party beneficiary concerned only with those provisions of the Accord which permit the Allied Governments to draw immediately up to 50 million Swiss francs for the IRO. I do not under any circumstances think it appropriate for the IRO to relay or elucidate to Mr. Thorp Mr. Stucki's points regarding bilateral agreements or any of the other problems which are the subject of discussion between the Swiss and the Allies and which are matters of no proper concern to the IRO.

As I also indicated in my cable, the fact that we may be sceptical about whether Mr. Stucki will respond favorably to a tripartite request is not a reason for IRO not to ask for that request to be made. Since IRO stands in the position of a trustee in the administration of the reparation program, it is obliged to take all appropriate measures which may produce the reparation funds with the least possible delay. A tripartite request to the Swiss is in any case an essential prerequisite to any further payment by the Swiss to the IRO under the Accord; and the IRO position, as established in the previous letters to M. Perier and Mr. Thorp, has been to ask that such request be made as soon as possible. The fact should not be overlooked that it was through IRO initiative that the three Allied Governments presented the original request to the Swiss to pay the 20 million Swiss francs; and it was also IRO initiative which resulted in the payment of the 20 million Swiss francs since Mr. Stucki had had a tripartite request on his desk for many months. It was only when IRO appealed to him on humanitarian grounds that he arranged for the payment.

I hope that a tripartite request will soon be presented to the Government of Switzerland. We should not act on the anticipation of a rejection of such a request. The Swiss Government once before recognized the humanitarian needs and made the requested payment of 20 million Swiss francs. The official Swiss press release when the Swiss decided to pay the requested 20 million Swiss francs clearly stated that the payment was made on humanitarian grounds because of the serious plight of the refugees. The general atmosphere with respect to a settlement of the differences between the Allies and the Swiss on those matters which are not IRO's concern is more favorable now that it was previously.

There are many factors which justify at least a mild optimism about a further payment. The fact that the Allied Governments will request a further and last payment of 17,205,600 Swiss francs for IRO while Mr. Stucki probably anticipates a request for the full 30 million Swiss francs may be another factor which would influence Mr. Stucki to make the further payment.

In any case, it appears to be the view of the United States, both now and when our previous letters were discussed, that the making of the request could not prejudice our case, and that, while such a request may not be a sufficient condition, it is a necessary condition precedent to any hope of payment.

I will, of course, keep you informed of further developments.

Sincerely yours,

Abba P. Schwartz

Enclosure

125, Rue de Lausanne,
Geneva.

Envelope marked "Personal"

22nd October 1948

(under separate cover)

Dear George,

I enclose, informally, a copy of a detailed report on reparations which I presented to Mr. Tuck and which I have suggested that he forward to the Five Powers. Since I do not know what changes, if any, he will make in the document, please do not consider this the finished product until you receive another copy through the normal channels. In the meantime, I thought you would be interested in glancing through it, since it sets out in detail what we have done in the last fifteen months.

Since I do not have another copy in finished form to send to Jack Todd, I would appreciate if you would pass this on to him after you have read it, since he is quite familiar with the technical aspect of the program.

Reparations

A great deal has occurred since I last saw you in Paris. Sir Arthur spent several days in London conferring with the Foreign Office and Sir Herbert. He returned determined to find an excuse for not paying the JDC Transportation costs to Palestine. He told me that he expected strong pressure to be brought to force payments to be made to JDC and that he, Mr. Edmonds and Sir Herbert thought that such costs should be met from reparations. He reported that Sir Herbert thought that Transport Costs to Palestine were included in the Reparation Projects which he had approved.

I advised Sir A. that I thought Sir Herbert's memory was failing him, since such costs were specifically excluded from the JDC approved projects. I furnished Sir A. with the projects which were submitted by JDC to Sir Herbert, and with Sir Herbert's letter of approval, which together constitute the JDC approved reparation projects. I enclose, for your information, a copy of the memorandum which I sent to Mr. Tuck on the subject and a copy of the JDC plans together with Sir Herbert's letter of approval.

Sir A. was very unhappy to find that I was correct and as a double check he said he would send all the data to Sir Herbert for further advice.

I requested a meeting with Mr. Tuck to discuss this matter, but as usually happens it was impossible to talk to him alone. There were present Sir Arthur, Mr. Tuck, Dr. Kullman and myself. Sir Arthur took the position that:

(1) Neither he nor Mr. Tuck knew that substantial reparation payments had been paid to the JDC; he said he thought the funds were piled up in the bank.

(2) Since the JDC has received reparation funds in the amount of about $4,700,000 in different currencies, there is no reason why IRO should pay large sums for immigration to Palestine.

(3) In determining what payments should be made to JDC IRO should take into account the substantial funds made available through reparations as well as the large amounts " which they receive from the Jews in the States."

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(3) In determining what payments should be made to JDC IRO should take into account the substantial funds made available through reparations as well as the large amounts " which they receive from the Jews in the States."

(4) Since Sir Herbert excluded movement costs to Palestine from the JDC approved reparation projects on the assumption that such costs would be borne by the U.S. Government, and since that assumption was false, the JDC projects should be reviewed to include immigration costs to Palestine.

Needless to say, Kullmann agreed with everything that Rucker said.

I advised them as follows:-

(1) The approved reparation projects exclude movement costs to Palestine, and neither Sir Arthur nor anyone else has the right to change those projects since IRO took over the reparations program on July 1 1947 and Mr. Tuck succeeded to the duties and responsibilities which were ~~formally~~ formally excercised by Sir Herbert.

(2) The JDC has for over a year relied upon the approved projects, has submitted bills in conformity therewith, and has determined its overall budget in the light of the reparations funds received.

(3) Even if the projects were revised to include all or part of movement costs to Palestine, the JDC has already billed to the full extent of the three million dollars under it's Transportation and Migration Project, and even if the balance of funds to make up the 25 million dollars under the treaties is received, there will not be enough to meet the JDC billings to date which exceed 10 million dollars.

(4) In any event there are no funds on hand to meet the JDC Palestine movement bills, and I received the impression that Sir Arthur was concerned about meeting such costs in the very near future.

(5) I expressed my great surprise that both Mr. Tuck and Sir Arthur should claim that they did not know that reparation funds were being paid to the JDC and the Jewish Agency. I asked them if they thought that I and the rest of my staff had been working all this time in order to accumulate a balance in the bank, similar to that which IRO found to its surprise it had on hand at the end of it's first fiscal year. I brought to their attention the fact that aside from the documents which passed over Mr. Tuck's desk whenever I made substantial payments, every Prep: Comm: Report contained a statement of Reparations funds received and paid. - and such documents passed through both Mr. Tuck's and Sir Arthur's offices.

(6) I told them that I had received the distinct impression that they felt it was unfortunate that the reparations program has succeeded and that substantial assistance has been afforded to persecutees. I pointed out very clearly that they should realise by now that the reparations program is one almost entirely concerned with assistance to Jews, and that if it was not of sufficient interest to them they were under no obligation to continue the administration of the program, since they could notify the Five Powers that they desired to relieve IRO of all duties and responsibilities under the Five Power Agreement. Sir Arthur became slightly embarassed at this suggestion. He said he was afraid I misunderstood him - that it was merely that he and Mr. Edmonds and Mr. Tuck felt that the Jews received assistance from so many sources that they should not demand so much from IRO. Since Sir Arthur at a previous meeting had referred to the substantial sums contributed by American Jews, I took occasion to tell him that I did not believe that in determining

the extent of assistance which IRO felt it could extend to Jewish DP's through the JDC and other organisations, contributions from American Jews should be taken into account to any greater extent than contributions by Ukrainians, Lithuanians and other national groups.

Dr. Kullmann contribution to the discussion, aside from his agreeing with Sir Arthur's brilliant analysis, was to point out that he thought my suggestion about giving up the administration of the program was impractical, since the Five Powers were really non-existent so that there would be no one to whom the administration of the program could be returned. I replied that Dr. Kullmann was mistaken since I have on several occasions referred questions of interpretation of Reparation Agreements to the French Government, as representative of the Five Powers, and have always received satisfactory replies. Mr. Tuck pointed out that the questions was not one of giving up the reparations program but of determining the extent of assistance which should go to Jewish DP's.

The meeting broke after an hour with Mr. Tuck's suggestion that Sir Arthur correspond with Sir Herbert and get his views on the entire subject matter; and that in a few weeks we should all have a meeting with the officials of the JDC.

You can clearly see the general atmosphere and attitude of both, Tuck, Rucker and Kullmann. I think that Rucker knows of feels that he will soon have to face up to the JDC bills for Palestine movement, and he is seeking every means to avoid payment.

As I think I have told you, I plan to leave about November 1st and suggested to Mr. Tuck that I continue the reparations work as a "consultant". I have till not received any reply from him so I do not know what he intends to do. I am leaving this evening for Israel and will be back in Geneva about November 1st. I can't imagine that Tuck will be willing to have the entire program to collapse, which it will if I diassociate myself entirely.

Bill Cox is away on leave and will also be back on November 1st. He is always a help in getting things straightened out; and I know that he feels strongly that I should finish up the odds and ends, and he has offered to act as liaison in Geneva if I carry out my plans to return to the States.

Since I have only a few minutes to get to the airport, I must close, but with the assurance that I will keep you posted.

Best regards -
Sincerely,
Abba

MERCHANDISING ADVISORY COMMITTEE
TO THE
INTERNATIONAL REFUGEE ORGANIZATION

119 West 40th Street
New York 18, N. Y.

August 2, 1948

Committee Members:

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Interstate Dept. Stores
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New York, N.Y.

David Freudenthal
Financial Consultant
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New York 4, N.Y.

Bernard Gimbel, Pres.
Gimbel Brothers
New York

Victor Hammer
Hammer Galleries
682 Fifth Avenue
NewYork, N.Y.

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Assoc. Merchan. Corp.
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Allan Kramer
Sullivan and Cromwell
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S. D. Leidesdorf & Co.
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Price Waterhouse & Co.
56 Pine Street
New York, N.Y.

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Stern Brothers
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George Whitten, Pres.
Burdine's
Miami, Fla.

P. G. Winnett, Pres.
Bullock's
Los Angeles, Calif.

Gabriel Ferras
c/o French Financial
Attache
39 Broadway, N. Y.
(French Representative

Arthur W. Beamand
1 Wall Street
New York, N.Y.
(British Representative

No Diamond Sale has ever been held comparable to the sale described in the enclosures. The entire proceeds from the sale of 6000 carats and more, go exclusively for the resettlement and rehabilitation of those most unfortunate people,- the homeless refugees in Europe.

These Diamonds are part of the loot the Nazis stole from individuals, which loot in turn was seized by the Allied Armies when they conquered Germany. The property seized, including these Diamonds, was turned over to the International Refugee Organization,- a branch of the United Nations,- by the Allied Powers, with instructions that the property be sold and the proceeds used to resettle and rehabilitate people who were the victims of Nazi aggression, and unable to return to their place of origin.

The I.R.O. asked a group of U.S. citizens to aid in the disposal of this property and the Committee described above was formed. All members donate their services. No one receives a penny of profit from this sale.

Because of the great humanitarian purpose to which the proceeds of this sale will go, it is the Committee's hope that bidders will make bids not based on the least amount of money that each lot may be worth, but on a basis that represents the maximum price that can be paid for each lot.

Thank you for your help.

MERCHANDISING ADVISORY COMMITTEE
TO THE
PREPARATORY COMMISSION
INTERNATIONAL REFUGEE ORGANIZATION

R. C. KRAMER
CHAIRMAN

DC/R
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DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

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DEPARTMENT OF STATE

INCOMING TELEGRAM

Replied T-719 and 721 to Berlin June 23, 1949

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Drafted copy 6/17/49 RS

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GAE-Baker

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Rec'd June 15, 1949
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FROM: Berlin

TO: Secretary of State

NO: 935, June 15, 6 p.m.

PRIORITY

Adviser on Jewish affairs, EUCOM, has proposed in letter to Deputy Military Governor regarding Economic Council ordinance number 71, "First Ordinance on Equalization of War Burdens" (MYDES 257 of November 23 from Frankfurt, and 646 May 26; revised text submitted today MYDES 739), which has not yet been approved by Bipartite Board:

A. That Jewish restitution successor organization (MYDES 1045 July 13, 48) be exempted from obligations of ordinance;

B. That all Nazi victims wherever resident and regardless of present nationality status be likewise exempted;

C. That if (B) should be deemed impractical, at least those persecutees should be exempted who are residents of United Nation at time of adoption of ordinance.

His letter is based primarily on following:

A. That victims were in fact no part of Nazi Germany and many of the would have been UN nationals on May 8, 45 had they been able to attain such status;

B. That ordinance 71 should not distinguish between UN nationals and refugees outside Germany who, although unable during war to attain UN status, aligned themselves with UN, and further that no distinction should be made between UN nationals and victims within Germany who were mistreated or murdered;

C. That

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DEPARTMENT OF STATE JUL 21 1949 DC/L LIAISON OFFICE

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-2- 935, June 15, 6 p.m., from Berlin

C. That precedent exists for exemption of presecutees from legislation affecting Germans in similar respects (his letter incorrectly states that Control Council law number 5 provides for exemption of German external assets of victims of Nazi persecution; however, preferential provisions have in fact been made by some countries, including US).

XR 800.515 867.512

It has been pointed out in OMGUS that ordinance 71 does not clearly indicate whether JRSO is exempt, even though it clearly qualifies as charitable organization, as its board of directors is not in currency area prescribed by MG law number 63 as required by ordinance 71. However, there is a strong feeling in OMGUS that it would be unwise to accord JRSO different treatment from that given to properties of the general class of persecutees, and that it would be inadvisable to make a general exemption for persecutees as a group. Reasons supporting this view are:

US.

A. One of important purposes of the equalization legislation, frequently overlooked, is to complete currency reform and to place persons in possession of tangible property on relatively equal basis with persons owning currency, which was devaluated by currency conversion. In implementing this purpose it is inadvisable to exempt a very broad segment of properties to be affected;

B. Persecutees cannot claim exemption purely on basis of analogy to exemption of UN properties. Subject of compensation to UN property owners will be dealt with in peace treaty; therefore present measure is an interim one. On other hand, degree of compensation to persecutees will not be dealt with by treaty and should not be coupled with UN property problem;

C. Regarding JRSO, fact that it is a charitable organization should not per se determine exemption. Instead, the nature of the property itself should be deciding factor. Thus, a hospital, a cemetery etc, obviously designed for charitable or welfare operating purposes, as distinguished from income producing properties, should

be exempted

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-3- 935, June 15, 6 p.m., from Berlin

be exempted in the hands of the present holder or in the hands of a restitutee, whether restitutee is JRSO or an individual. Contrarily, business property, operated for profit, should not be exempted even in hands of JSRO;

D. Persons who possesseed property on date of currency reform should pay tax on assessable property regardless if it is subject to a restitution claim. Restitution law provides (article 34, paragraphs 1 and 2; article 91, paragraph 2) that a tax of this type must eventually be borne by restitutee. Thus, even though JRSO did not possess property on June 21, 48, it would eventually be required, at least indirectly, to pay the tax if the property is assessable;

E. It appears that ordinance 71 as presently drafted would permit exemption of charitable or religious properties subject to restitution, although many other properties would not, even in hands of JRSO, be eligible for exemption;

F. Enlargement of class of persons exempt from ordinance 71 would seriously hamper its implementation in view of great difficulty in determining whether all persons claiming to be political persecutees were in fact such. Exemption would also lead to opposition from less privileged persecutees and would be contrary to position taken in satellite peace treaties.

General Hays in preliminary reply to letter has stated that to exempt persecutees in general is much too broad an exemption and is not practical, as it would be virtually impossible to determine persecutee status in a large number of cases and such status might include large number of Germans; that on other hand it would not be fair or just to exempt merely one group of persecutees; but that whole matter being carefully studied and being referred to Washington for government views.

Military Government has also received cable from American Jewish Committee, World Jewish Congress, New York, requesting withholding of approval of ordinance 71 on grounds similar to those advanced by Jewish

adviser.

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-4- 935, June 15, 6 p.m., from Berlin

adviser. Also letter received from American Association of Former European Jurists, New York, stating present limited exemption in ordinance 71 "would do great injustice to persons persecuted and discriminated against during the Nazi regime and would result in nulifying the effects of the restitution laws enacted in the American, British and French occupation zones of Germany." Letter claims limited exemption conflicts with intention manifested by UN in peace treaty with Italy, article 78, subdivision 9 B, and in section 32 (A), (2) (C), (D) of the US Trading With Enemy Act. It maintains evident intention of United Nations, as indicated in foregoing, "was to treat equally UN nationals on one hand and on other hand neutrals and even subjects of Germany and other enemy countries who were oppressed by Germany during Nazi regime." Also letter received from Consul of Israel pleading for exemption of citizens and residents of Israel and stating Israel Govt intends to make urgent representations to US Government.

OMGUS and this mission are in agreement that it would be of dubious wisdom to make all exemptions requested above both for reasons mentioned, and in case of Israel nationals, because of discrimination vis-a-vis other nationals, and that to exclude these groups would be inconsistent with basic principles of the legislation. Also it is not seen how one group could be excluded without, in equity, granting exemption to all persecutees. However, General Hays will delay approving ordinance for few days pending receipt of Department's views and I should therefore appreciate receiving these soon as possible.

RIDDLEBERGER

JMK:MEK

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FORM DS-322
7-1-48

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Department of State

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Re: Jewish restitution successor w.w. org. be exempted from obligations of Econ Council Ord. 71

Reurtel 935 and 941.

We agree with OMGUS that persecutees in general cannot be exempted from levies under Ordinance 71 without jeopardizing economic objectives of legislation nor do we favor exemption of all ~~foreign~~ FGN residents. We note, however, that German draft exempts from levy the property of persons eligible for assistance such as needy persecutees.

We feel that JRSO has legitimate claim to be exempted from application law. By wording of statute JRSO is charitable organization and is to have same tax exemptions as a non-profit organization under German law (See official appointment of JRSO Act. III). This provision seems to override considerations regarding date of acquisition and nature of properties. Moreover JRSO is National of ~~United Nations~~ UN. We cannot agree that impossibility of exempting all persecutees would necessitate refusing JRSO privileges which German charitable organizations are granted in case taxation of their property would threaten fulfillment of charitable purpose.

XR 740.00119 Central (Germany)

XR 362.005

740.00119EW/6-1549

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Page 2 tel # 719

USPOLAD - 2

BERLIN

We do not consider May 8, 1945 cut off date regarding citizenship UN ~~United Nations~~ nationals justified. In similar clauses satellite peace treaties date of treaty itself is used. In this case date of equalization law would seem appropriate.

Believe our suggestions can be implemented by minor changes in ordinance 71 and will not delay approval substantially. Further comments re definition qualifying shares Art. 6 follow.

Acheson
~~Acting~~
(HK)

ACHESON

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GAE:REisenberg:clk 6-17-49 | GAE (Mr. Baker) | GAE (Mr. Koch) | LE | EP | CA

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JUN 22 1949

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State - Army Corr. 1-Byroade 2-Fisher

DEPARTMENT OF THE ARMY
OFFICE, ASSISTANT SECRETARY
WASHINGTON, D. C.

32989

18 June 1949

Colonel Henry A. Byroade
Acting Deputy Director
Office of German and Austrian Affairs
Room 4033, New State Department Building
Department of State

Dear Colonel Byroade:

Reference is made to your letter of 3 June 1949 to Assistant Secretary of the Army Voorhees, concerning a quantity of industrial diamonds held by OMGUS.

As you know, the actions to be taken regarding the disposal of these diamonds has been under consideration by OMGUS and the Departments of State and Army for many months because of the restitution claims advanced by the Belgium Government last year. After exhaustive study it was agreed by OMGUS with the concurrence of State and Army that the diamonds were not restitutable. Early this spring the Belgium experts visited Germany in an effort to identify the diamonds, but were unable to do so. Notwithstanding this, further representations were made by Belgium Prime Minister Spaak at the time of the signature of the Atlantic Pact, but after further investigation, Secretary of State Acheson on 15 April 1949 wrote the Belgium Government again denying the Belgium claim and confirmed that the diamonds were not subject to identification. OMGUS was then informed that State and Army had no further objections to their proceeding with the disposition of the diamonds.

As you well know, it has been the United States policy in Germany to restitute to claimant owners through their government any property that could be identified as having been removed under circumstances which indicated force or duress or transactions not essentially commercial in nature. So-called non-monetary gold found in Germany has been turned over to IRO for use in its program. However, whenever the claimant could not identify property and produce satisfactory proof of original ownership, the policy of the occupation authorities is to regard the property as German. This policy has been followed by the British and French, as well as the United States Military Governments. For us to change this policy now, by requiring OMGUS to establish proof of German ownership, is not believed to be desirable or practicable or even possible.

So far as any possibility exists that these industrial diamonds may include some which could properly be termed loot, every effort has been made to identify the original source and owner without any success.

Your letter also incloses a communication from Mr. Abba Schwartz of IRO in which he states that such portions of these diamonds as may represent looted stones should be treated as non-monetary gold and be turned over to IRO pursuant to the Paris Agreement on reparations. The JCS Directive to the United States Military Government limits property to be treated as non-monetary to "valuable personal property which represents loot seized or obtained under duress from political, racial, or religious victims of Nazi Government or its satellites or nationals". The terms and intent of the directive excludes commercial and industrial property. As these stones are industrial diamonds, the Army does not consider they can be regarded as non-monetary gold, quite apart from whether they represent loot seized or obtained under duress.

It is difficult for us to see what additional data can be turned up by delay, which has not already been discovered during the careful investigations which have been going on for many months. Therefore, we feel strongly that the Military Government should not be asked to suspend the action which was authorized by the joint State-Army cable, WARX 87189, dated 14 April 1949.

Sincerely yours,

H. F. Sheets

H. F. SHEETS
Deputy for European Affairs

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : GA - Mr. Beam
Col. Byroade

DATE: July 14, 1949

FROM : GAE - Mr. Baker GWB

SUBJECT: Diamonds held by OMGUS

To army 6-3 740.00119EW/6-349
from army 6-18 740.00119EW/6-1849

You will recall that in April, the Secretary rejected Prime Minister Spaak's petition for restitution of 198,000 carats of industrial diamonds to Belgium. On June 3, Col. Byroade sent a letter to Mr. Voorhees, pointing out that the diamonds continued to be a subject of great public interest in Belgium and that the Department has received information from IRO lending considerable support to the allegation that the diamonds in fact were looted by Germany. The letter requests that OMGUS be instructed not to sell the diamonds until the Department has had an opportunity to study the matter on the basis of information to be supplied by OMGUS concerning the true ownership of the diamonds. In a letter of June 18, Mr. Sheets stated his opposition to this proposal and stressed his opinion that the IRO could not have an interest in the matter. Subsequently, Mr. Kiefer, in EP had conversations with two former restitution officers of OMGUS concerning the matter. There has also been received from IRO a detailed memorandum concerning diamond looting activities of the Nazis. The information derived from those sources lends additional support to the Department's request for a careful reinvestigation and report on the details.

Attached hereto is a letter drafted by Mr. Kiefer for the Secretary's signature, restating the Department's request. It is made clear in the letter that the Department is in no way espousing the IRO suggestion that the diamonds be delivered to IRO. The sole purpose of the request is to obtain a thorough investigation and a complete report on the question in order to assure proper disposition of the diamonds. I recommend your approval of the letter.

Lt. Col. Jorgenson has learned from Mr. Kiefer that the draft letter for the Secretary's signature is being cleared in the Department. Recently Jorgenson asked me if we could not resolve the difference without taking the question to the top levels in our Departments. On the basis of my past discussions of the question with him, I doubt that we can reach an agreement. However, if you approve the letter, I think it might be worthwhile to make one last attempt to persuade the Army to accede to our request before sending it to the Secretary. I could discuss it with Jorgenson and, if there are no results, return the matter to you for discussion with Mr. Voorhees.

GA:GAE:GWBaker:clk

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BW

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FW 740.00119EW/6-1849 CS/H

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Office Memorandum • UNITED STATES GOVERNMENT

TO : S - The Secretary DATE: July 5, 1949

FROM : E - Mr. Thorp

SUBJECT: Diamonds Held by OMGUS and Previously Claimed by Belgium.

As a result of Belgian representations in Washington, the Departments of State and Army jointly considered, from December 1948 to April 1949, the disposition of 198,000 carats of diamonds held by OMGUS and claimed by Belgium as having been looted in that country by the Germans. During this period the Belgians were given a further opportunity to identify the stones. Upon OMGUS' determination that such identification had not been successfully made and request for authorization to release the property in the German economy, you advised Prime Minister Spaak that there was no basis for restitution of the diamonds to Belgium and the Department concurred in a cable to OMGUS authorizing release of the stones as requested. It is understood that the diamonds are, however, still in OMGUS custody.

Since the decisions of April 1949, the Department has received reports, including a comprehensive study submitted on July 1 by the International Refugee Organization, that such a large quantity of diamonds could be in Germany only as a result of German looting in German-occupied countries. The whole case has also continued to receive considerable unfavorable public attention in Belgium including renewed demands by the Belgian Government for inspection of the stones. The Department thereupon asked the Department of the Army, in a letter to Assistant Secretary Voorhees, to have an investigation made of the real ownership and origin of the diamonds. The Army indicated its disapproval of such a step in a letter to which the attached draft is a reply.

I strongly recommend that you sign the attached draft, which renews the Department's earlier request for a full investigation. This request is made in the light of information which was not available to the Department in April 1949. It does not constitute a reversal of the decision that Belgium had not succeeded in establishing a claim to the property, and at this time it affects the corollary of that decision, that the diamonds be released in the German economy, only to the extent of requiring a postponement pending further consideration.

Whatever the ultimate disposition of this property may be - and the Department is not in a position to commit itself to any particular solution at this time - the requested investigation will at least enable the Department to deal more effectively with the broader aspects of this case which have come to light since the earlier decisions. I believe that this is sufficiently important to justify the renewed request to the Army.

Attachment
OFD:EP:Arkefer:ddec
7-5-49

FOREIGN AFFAIRS

NEW YORK OFFICE:
SUITE 2130,
165 BROADWAY
NEW YORK 6, N. Y.
TELEPHONE:
WORTH 2-1856

Congress of the United States
House of Representatives

Washington, D. C.

1949 JUN 24 AM 11 12

June 20, 1949

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DEPARTMENT OF STATE

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Hon. Dean G. Acheson
Secretary of State
Washington, D. C.

Dear Mr. Secretary:

The Committee for Restitution in Austria, consisting of Messrs. Eugene Marc Hofmann, Simon Jacob, and Fred Reiss, is located in my district and represents a great many citizens there. I am impressed with the sincerity of this Committee and also with the need for being sure that the Austrian Government is treating justly claimants who suffered under Nazi brutality.

I am enclosing herewith a memorandum prepared by the Committee for Restitution in Austria and would appreciate your comments. I have made a similar request of General Keyes.

Sincerely,

J. K. Javits, M. C.

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: June 24, 1949

740.00119 EW/6-2449

SUBJECT: Diamonds in custody of OMGUS, Germany

PARTICIPANTS: EP - Mr. Kiefer
Mr. K. A. DeKeyserlink, 112 East 81st Street, New York 28, N.Y.
Mr. Paul B. Bachrach, 2770 Kingsbridge Terrace, New York 63, N.Y.

COPIES TO: GAE - Mr. Baker
L/E - Mr. Maurer
WE - Mr. Galloway

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Mr. DeKeyserlingk was until the end of 1948 Chief of the Restitution Branch of OMGUS in Karlsruhe, Germany. At the present time he is not officially connected with any agency of the Government. He came to see me on June 22 and I discussed at great length with him a number of restitution problems, including that of the diamonds claimed by Belgium. Discussion of the latter subject was resumed on June 24, at which time Mr. Bachrach was also present. Mr. Bachrach was formerly Mr. DeKeyserlingk's assistant and is now also no longer connected with any agency of the Government.

855.6347

I acquainted these gentlemen with the history and present status of the diamond question and asked them to give me whatever information they might have on it, pointing out that we were badly handicapped over here in not knowing what actually had happened in this whole question in the field. The following represents a composite picture in this regard based on the comments and observations of both Mr. DeKeyserlingk and Mr. Bachrach. Both of them made it quite clear that because of the various intra-mural OMGUS relationships involved, their connection with the problem had been less than they would have wished and that some of their information was in the nature of surmise and based on reports that they had heard from others.

740.00119 EW/6-2449

The diamond problem first came to the attention of the Restitution Branch when the Belgian restitution mission submitted statements indicating the loss by Belgium during the course of the war of some 900,000 carats

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carats of diamonds. The Belgian documents were thought to have been submitted some time in the fall of 1947 and to have been general in nature. The Branch forwarded this information to the Finance Division for transmittal to the Foreign Exchange Depository in Frankfurt, which had the responsibility for keeping all possible foreign exchange assets, whether looted or otherwise, which had been recovered in Germany under Military Government Law 53 or other measures . The Belgian mission was also requested to supply further documentation. The presence of considerable quantities of diamonds at the FED then became known. These diamonds had probably been in the possession of German government stockpiling agencies, and there appears to have been no evidence immediately available concerning the origin thereof. Upon the submission of further documentation by the Belgian mission, the Restitution Branch determined that the Belgians had sufficiently established a preliminary case to justify examination of the diamonds at the FED by Belgian experts and recommended to the Property Division, of which the Branch was a part, to arrange for such an examination with the Finance Division, which had jurisdiction over the FED. I am told that such inspections have constituted standard operating procedure in the restitution program in cases where a substantial presumption of looting has been established in respect to certain property. It is not to be confused with the systematic inspection of German premises which has often been demanded by claimant nations as a means of uncovering looted property the existence of which would otherwise remain unknown. It is the latter type of inspection (referred to as "witch hunt" by Military Government) which has been opposed on ample grounds.

The FED, which did not operate under the usual restitution procedures, had a firm rule against inspection by claimants of any property in its custody. It apparently opposed the Belgian request for inspection of the diamonds and was supported by Mr. Bennett, Financial Adviser to OMGUS, and Mr. McJunkins, Chief of the Property Division, in Berlin.

The Restitution Branch was not aware that any effort had ever been made by the FED to investigate the history of the diamonds in question. Both Mr. DeKeyserlingk and Mr. Bachrach firmly believe that such an investigation is fully justified by documented presumption of looting arising from the Belgian claims, and they believe furthermore that the history of such an important lot of diamonds could readily be learned by the Counter Intelligence Corps from documents and interrogation of German individuals who might have knowledge of the matter. Mr. Bachrach stated that he had heard that the FED actually had a document linking the stones in question to a shipment of diamonds which the Germans had taken off a Belgian ship coming from the Congo which had made port in France.

Mr. DeKeyserlingk

Mr. DeKeyserlingk and Mr. Bachrach recommended that urgent steps be taken to prevent the dissipation of any records on this case held in the FED or by the Rrestitution Branch. They also recommended immediate and thorough investigation by the CIC. In conclusion they expressed the strong view that there was enough of a presumption of looting in the case of these diamonds to render any disposition thereof in the German economy, as contemplated by OMGUS, entirely unjustified and likely to have unnecessarily unpleasant consequences in our foreign relations.

OFD:EP:AFKiefer:cd

B'nai B'rith

1003 K STREET, N. W. · WASHINGTON 1, D. C.

Oldest and Largest National Jewish Service Organization

FOUNDED 1843

June 27, 1949.

Mr. Jack Bernard Tate
Acting Legal Adviser
State Department
Washington, D. C.

Dear Mr. Tate:

Great concern has been expressed with reference to the policy being pursued by Great Britain with regard to property belonging to Jews from ex-enemy countries. A statement of that concern is herewith attached from Mr. Aureliu Weiss, in a letter from him dated June 15, 1949. Mr. Weiss was the former President of B'nai B'rith in Roumania, and his present address is 18, rue Theodule Ribot, Paris 17, France.

We understand that the peace treaty with Roumania includes provisions under which the Allied countries had the discretionary authority, not to confiscate the assets belonging to nationals of the enemy countries who were, in fact, persecutees. We also understand the United States has followed its traditionally liberal position with reference to the return of property belonging to Jews from ex-enemy countries on the theory that all Jews were persecutees.

We do hope that it will be possible for the State Department to use its good offices with the British Government to obtain like consideration from that government.

Sincerely yours,

Maurice Bisgyer

National Secretary B'nai B'rith.

TRANSLATED FROM FRENCH.

Aurelin Weiss
18, rue Theodule Ribot
Paris 17.

Paris, June 15, 1949.

B'nai B'rith
President Frank Goldman
1003 K Street N. W.,
Washington 1, D. C.

Dear Brother President:

The fact that I was president of the Order B'nai B'rith in Roumania, which I was until my departure from Roumania end of October 1947, prompts me to initiate the following steps which interest to the greatest degree a great number of brother refugees from Roumania living at the present time in Western Europe.

1. Before the war, many Roumanian Jews, seeing the rise of Nazism, have wanted to put in a safe place part of their assets, and have deposited money and property in Great Britain. These deposits, being that they were Roumanian, were confiscated by the English Administration of Enemy Property, and, in accordance with the provisions of the Peace Treaty with the German Satellite States, were submitted for liquidation to be applied against payments of war reparations.

2. After most diligent interventions, an exception of grace was obtained in favor of those who were "deprived of liberty" by the laws and decrees which were based on racial or religious discrimination. It therefore appeared that the Roumanian Jews would all be granted this exception.

3. Unfortunately, the Administration of Enemy Property interprets this favor in such a restrictive manner that almost all the Roumanian Jews who have filed a petition to have their funds unblocked, see their applications rejected.

4. The Jewish Associations of Great Britain (Anglo-Jewish Association and Jewish World Congress, London) conscious of the injustice of the Administration of Enemy Property, have done and are still doing everything in their power to get the English authorities to adopt a more human point of view and corresponding to the reality and to justice, but so far have been unable to arrive at any tangible results. Here is a real tragedy. The B'nai B'rith brothers, and other Roumanian and Hungarian Jews, having deposits in Great Britain, who could save their freedom and flee to the countries of Western Europe, and who put their hopes into these deposits, are running the risk of dying of hunger because of the inhuman interpretation which the English give to the stipulations of the Peace Treaty and to the exceptions of grace which they have admitted.

5. This is a very important question, and upon unanimous request I am addressing myself to your high authority with the request that you please intervene with the Jewish organizations of the U.S., to bring about a forceful intervention on their part in our favor at the Embassy of Great Britain in Washington, and at large English organizations in the United States.

6. The U. S. has given these Peace Treaties an entirely different interpretation from that adopted by Great Britain. Taking into consideration the fact that the Jews in the satelite countries and in Germany were cruelly persecuted in these countries during the racial period and considered as interned enemies, the U. S. has unblocked all deposits belonging to Roumanian Jews. This is the procedure of a great country which takes into consideration the realities and which did not want to intensify the misery which had befallen so many unfortunate people.

7. It is an uncontested fact that the Roumanian Jews, from the very beginning of the racial period (October 6, 1940 - August 23, 1944) were submitted to a number of discriminatory measures of repression in a manner which was legislative, administrative and social-political. I will enumerate only a small part: suppression of civic and political rights, radical exclusion of Jewish elements from the Roumanian Army and Public Administration, special taxes, forced labor without pay, expulsion of those living in the villages, concentration into ghettos, concentration camps, mass deportations, taking of hostages among prominent Jews, confiscation of rural property and industries based on agriculture, expropriation of urban real property, prohibition to own book publishing houses, magazines, journals, movies, tourist agencies, to own radio receivers, to use private automobiles, to follow courses in Roumanian universities, to travel without special permit, by railroad, or bus, etc.

At the same time, the entire Roumanian press and all Roumanian radio stations preached during the war the most atrocious hatred against the Jews, by presenting them as the greatest internal danger and demanding their extermination.

While considered internal enemies, deprived of their rights and elementary liberties in the satelite countries, it is inconceivable that the Roumanian and Hungarian Jews could be considered, at the same time, as enemies of the Allies, and that their property, having been confiscated in Roumania by the Nazi administration, should be confiscated abroad also by an Allied Power, as if belonging to enemies of the Allied countries. Moreover, it is beyond normal and logical comprehension to have the war reparations paid by the victims of the regime which has provoked and conducted the war.

8. This reasoning, while so evident and simple, is strongly rejected by Great Britain, which declares that it cannot distinguish between Roumanians as to the regime to which they were submitted. But, if one wants to overlook the fallacy one must recognize that this is not the democratic conception of Great Britain, but the conception of racial governments, who have practiced against the Jews a regime of exclusion, dispossession and murders. The expeption of grace adopted constitutes in itself a recognition of this distinction, of which one does not want to take the necessary consequences.

9. Among the conditions imposed on the Jews in the satelite countries, in order to be able to benefit by the exception of grace and to see their property unblocked, in Great Britain the first condition is the "privation of liberty" during the racial period, and considered the most important, hence decisive.

This condition, which in the United States was comprised in the suppression of political and civic rights, of which all the Jews, without exception, have suffered, is interpreted by the Administration of Enemy Property of Great Britain, in an entirely different manner. The English understand by "privation of liberty" a prison sentence actually served, or concentration camp. One can have suffered the worst punishment, and have been in the greatest of dangers and gone through the worst humiliations and privations, but will not be entitled to have one's property unblocked if one has not been in prison or in the concentration camp.

This interpretation of the privation of liberty is much too restrictive. Even those among the Jews who were hostages, who were destined to answer with their lives and their property for the acts of sabotage directed against the Roumanian and German Army during the war, and who, were submitted to the rigors of forced domicile in their city of residence, are not considered by the Administration of Enemy Property as having been deprived of liberty.

10. In reality, in a just conception, which has been that of the U. S., all the

all the Roumanian Jews were deprived of liberty during the racial regime, because the right is nothing but the principle (the discipline) which regulates how to exercise liberties - and those who have not had the right to do or to own so many things, have not had, in reality, the liberty to do or to own these things.

11. Even those who have suffered actual arrests see their requests rejected, for unknown motives, which the Administration of Enemy Property does not even deem necessary to let them know.

In order to demonstrate the manner in which the Administration of Enemy Property conduct themselves in this sense, I cite my personal case: I have proven precisely and clearly, with testimony submitted under oath by Messrs. J. Gardea, former President of the Jewish Community in Bucharest, and of the Bucharest Chamber of Commerce, and by J. Kandel, former President of the ORT Roumanian, and one of the B'nai B'rith Lodges in Bucharest, before the British Consulate in Paris, and by his eminence, Dr. Alex Shafran, former Chief Rabbi of Roumania, presently Grand Rabbi of Geneva, that I was arrested and detained in a prison of the Roumanian Police on January 19, 1941, and all the following days, with the accusation that in the capacity of President of the B'nai B'rith Lodge "New Fraternity" of Bucharest, I was fomenting a "Jewish-Masonic" plot against the racial regime, and against the country. 35 other members of the B'nai B'rith Order were arrested at the same time as I, but most of them were released during the night of their arrest, while I was made to appear as the color-bearer of the asserted plot and had to serve the machiavellan ends of the regime. I was, as is stated in the depositions, submitted to a criminal regime and to worse menaces. I owe my life now to a sheer miracle.

Just the same, my request for unblocking was plainly rejected under the vague pretext that I do not fulfill the condition "privation of liberty". This is incredible and yet true, and characteristic of the state of mind of the Enemy Property Administration.

12. All this confiscation of property belonging to people who were fiercely persecuted during the war, is all the more incomprehensible, since the Roumanian Nazis who had precipitated the war and who exploited the property belonging to the Allies and the dispossessed Jews, have sent large sums of money into Switzerland. After the end of the war, these Nazis, war profiteers, were able to quietly and without any difficulties or restrictions, withdraw these moneys from the Swiss banks while the unfortunate Roumanian Jews, persecuted and dispossessed by the Nazis during the war, must pay the cost of the war which was brought about and waged by these same Nazis who enriched themselves and freely dispose of their money.

I therefore ask you, in the name of all these disinherited, to take their fate to heart and to do whatever possible and as quickly as possible, to come to their aid by energetic steps. This is what would justify the great hope which they have put in your fraternal sentimants, as Jews and as B'nai B'riths.

Sincerely and fraternally,

(Signed) Aureliu Weiss.

SEP 8 1949

In reply refer to
L: L/E 740.00119 EW/6-2749

My dear Mr. Bisgyer:

Reference is made to your letter of June 27, 1949, enclosing a copy of a letter from Mr. Aurelin Weiss concerning the treatment given by the British Administration of Enemy Property to property belonging to him and to other Rumanian Jews. Your letter expresses the hope that this Department can use its good offices with the British Government to obtain treatment for property in Great Britain belonging to persecutees similar to that given such property in the United States.

The Department has been informed by the British Administration of Enemy Property Department that although basic legislation does not make special provision for the release of property to Nazi persecutees, it has adopted principles expressed in Part III 6 f of the Inter-Allied Reparations Agency rules of accounting for German External Assets in determining who can be considered victims of Nazi persecution and therefore eligible to claim.

Under these provisions any ex-enemy national will have his property returned to him by the Administration of Enemy Property Department if so directed by the Board of Trade, if the ex-enemy national

(I) was deprived of liberty pursuant to any law, decree or regulation which discriminated against religious or racial groups or other organizations, and

(II) did not enjoy full rights of citizenship of the enemy country of his residence at any time between 1st September, 1939, and the abrogation of such law, decree or regulation,

and

Mr. Maurice Bisgyer,
National Secretary B'nai B'rith,
1003 K Street, N.W.,
Washington 1, D.C.

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(III) has left that country, or intends to leave within a reasonable time to establish his permanent residence outside enemy or ex-enemy territory, and

(IV) was not disloyal to the Allied cause during the war, and

(V) has a case which merits favorable consideration.

While the Department favors a liberal policy with relation to the treatment of those who were subject to Nazi discrimination, the Department does not consider it appropriate to go into the question of the British administrative practices and interpretations under the above principles.

Sincerely yours,

Jack B. Tate
Deputy Legal Adviser

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SEP 8 1949 P.M.

JUL 11 1949

In reply refer to
EP 740.00119EW/6-2749

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OFD

My dear Mr. Shifter:

Reference is made to your letter of June 27, 1949 and to its attachment consisting of a copy of a letter concerning German external assets in Switzerland which you intend to send to the New York Times.

A careful analysis of the latter reveals that the following comments from the State Department are in order:

XR 800.515

(1) The third paragraph of your prospective letter states that German assets in Switzerland are now being liquidated. Unfortunately this is not the case. The Government of Switzerland has failed to liquidate German assets in accordance with the terms of the Swiss Allied Accord. In certain cases where property is deteriorating or for some other reason of urgency, the Swiss Government has "transformed" particular assets. "Transformation" is not liquidation since, although title passes to a buyer and money has exchanged hands, the proceeds remain in a blocked account.

(2) Point No. 2 in your letter is almost a non-existent problem.

(3) The exchange rate and compensation issues touched upon in Point No. 3 of your letter are major obstacles in the implementation of the Accord.

(4) The first paragraph on page 2 of the enclosure to your letter states that possessions of refugees in Germany are not being liquidated and that persecutees are being given

Mr. Richard Shifter
230 Prospect Street,
New Haven 11, Conn.

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given special consideration under the terms of the gentlemen's agreement between the Allied Powers and Switzerland. Unfortunately, from the viewpoint of the Department of State, this is not the case. The Swiss Government considers persecutees in the same category as all other Germans in Germany. The basis for such consideration is that the Accord makes no exception for persecutees but simply states that property of Germans in Germany shall be treated in a certain way and that the Germans are to be indemnified in German money for the property which is liquidated in Switzerland.

(5) The latter part of your letter which concerns specific cases is still considered confidential or restricted information in the Department.

The Department is deeply appreciative of your keen interest in the Swiss Allied Accord and of your apparent eagerness to correct misinterpretations which have existed in the minds of some citizens regarding the purposes and performances of the Allies under the Accord.

A conference was convened on May 10 among the Governments of France, Great Britain, Switzerland and the United States at Washington for the purpose of eliminating issues which have thus far prevented or rendered difficult implementation of the Accord. The conference recessed on June 10 and it is expected that it will reconvene early in September. Definite progress was made at the recent conference toward eliminating issues among the governments signatory to the Accord and the Department is hopeful that at the anticipated conference remaining issues may be removed and implementation may proceed.

Sincerely yours,

For the Secretary of State:

R. Burke Smith
Chief
Reparations and Property Branch
Economic Property Policy Division

CR
JUL 11 1949

OFD:EP:EMAdams:ng 7-7-49

230 Prospect st.
New Haven 11, Conn.
June 27, 1949.

The Honorable Dean Acheson
Secretary of State
Washington, D.C.

Dear Sir:

Enclosed herewith is a copy of a letter concerning German external assets in Switzerland, which I intend to send to the New York Times. It is based on information which I obtained while serving as Assistant Chief and Chief of the External Assets Investigations Section of the Office of Military Government for Germany.

I do not believe that any of the information included in the letter is of a confidential nature and should be withheld from the public. However, as much of the information was originally contained in classified documents, I am herewith submitting it to your office for examination. I shall be glad to make any deletions which you consider necessary.

Very truly yours,

Richard Schifter

Richard Schifter

1 Encl ltr 6-30-49 LA

EP

TO THE EDITOR OF THE NEW YORK TIMES:

It is rather unfortunate that Mr. Gilpin did not acquaint himself with all the facts concerning the German external assets program prior to writing the letter on that subject which was published in the New York Times on June 7. Uninformed criticism constitutes a rather dubious contribution to the solution of this complicated problem.

Mr. Gilpin states that the Allied-Swiss Accord of May 1946 (a) "is completely unrealistic", (b) does not liquidate German assets in Switzerland, (c) does not adequately protect the interests of refugees and other victims of German aggression.

The first of these charges is too vague to serve as a basis for any discussion. As for the second: The Accord does provide for the liquidation of German assets in Switzerland. German assets were blocked by the Swiss Compensation Office in February 1945 and assets of "Germans in Germany" are now being liquidated. There is no doubt that the Swiss Government has agreed to the principle of eliminating German investment in Switzerland.

Differences have, however, arisen as to the following major issues:

(1) Certain German assets in Switzerland had prior to 1945 been sold to non-Germans, generally to Swiss nationals, for the purpose of cloaking the German interest. As the owners of record of these assets were non-German, evidence had to be produced to prove the German beneficial interest. This evidence was generally assembled by the External Assets Investigations Section of the Office of Military Government for Germany and was then forwarded to Switzerland. The evaluation of this evidence has in certain cases been the source of conflict, the United States contending that the evidence proves the alleged sale to have been a sham transaction, while the Swiss would consider the proof insufficient, insisting that the sale was genuine. It is rather unrealistic to attribute the Swiss Government's position on these cases to a desire to protect German interests. It would be more reasonable to assume that the Swiss motivation lies in its preference for having the asset stay Swiss without turning over 50% of its value to the Allied reparation fund.

(2) In liquidating German assets the Swiss have been less concerned with the security objectives of the external assets program than the Allied powers. While the latter were interested in excluding those potential purchasers who previously had close commercial ties with Germany, the Swiss were more inclined to accept the highest bidder without regard to his previous associations.

(3) The Swiss have thus far failed to pay to the Allies any of the proceeds of liquidation and insist that the fixing of an official exchange rate for the Deutsche Mark and provisions for the compensation of former owners of external assets be a condition precedent to any such payment.

As for Mr. Gilpin's third point: The possessions of refugees from Germany are not being liquidated. Those few persecutees who are still alive in Germany and who have assets in Switzerland are given special consideration under the terms of a gentlemen's agreement between the Allied powers and Switzerland.

To answer the questions raised by Mr. Gilpin with respect to the status of specific German assets in Switzerland:

(a) In 1946 I conducted an investigation which proved that the Munich Reinsurance Company was the sole owner of the Union Reinsurance Company of Zurich and that certain Swiss and Swedish shareholders were acting as dummies for the German corporation. These findings were communicated to the U.S. Legation at Bern and the Swiss Compensation Office. They were not challenged by the latter and the shares of the Union Reinsurance Company are, therefore, being treated as German external assets, subject to liquidation under the Accord.

(b) There has been no dispute over the German status of the Siemens subsidiaries. They are similarly subject to liquidation.

(c) Full information as to the Bosch subsidiaries has been obtained by the External Assets Investigations Section. Most of the Section's findings have been accepted by the Swiss, though some dispute exists as to the true beneficial ownership of certain blocks of shares. -- The report alleging an agreement between Bosch and the Industrial Products Trading Company, which Mr. Gilpin mentions in this connection, has not been verified. It would, at any rate, have no direct bearing on the German external assets program.

In replying to Mr. Gilpin I do not contend that there are no flaws in the program to liquidate German external assets. I do feel, however, that Mr. Gilpin's incorrect assertions should not go unchallenged. Students of German affairs would undoubtedly take the Society for the Prevention of World War III more seriously if Mr. Gilpin were to check his facts more carefully before rushing into print.

FORM DS-323
7-18-46

OUTGOING ~~AIRGRAM~~ TELEGRAM

CLASSIFICATION
5 P.M.

Department of State

CONTROL
CONFIDENTIAL
8026

Washington,

JUN 29 1949

~~NO.~~

TELEGRAM

PRIORITY

USPOLAD,

BERLIN

740

~~PRIORITY~~

Agree JRSO should not be exempted by amendment to Law 71 (~~xx~~urtel 1015, June 27) but should be exempted in implementing regulations as provided Art 5, Sec 8 of Law.

Believe restitutor should get refund from Germ~~xxx~~ ~~xxxxxxxxx~~ GOVT through JRSO or directly. Amount of such refunds would not be considerable since JRSO will receive only small amount ~~of~~ taxable property. Dept notes ~~xxxx~~ Committee report No. 687, Nov~~xxxx~~ 25, 1948 to Economic Council anticipates 15% of estimated tax will not be collectable. Taxes on Properties ~~xxxxxx~~ RECD by JRSO would be only fraction of this margin. Thus believe uncertainty should not be obstacle to exemption.

~~Replies following untel 1016.~~

~~Repeated to Frankfort xxxxxxx~~.

Acheson

ACHESON

DC/T ACCEPTANCE DESK
1949 JUN 29 PM 4 19

CODE ROOM:

Please send to Berlin as 740,

and repeat to Frankfort as 833.

TELEGRAM

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740.00119 Control (Germany)

Cleared with Army Col. Peters

DGR EUR Unit

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JUN 29 1949 P.M.

★ U. S. GOVERNMENT PRINTING OFFICE—1947 736336

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UNITED STATES POLITICAL ADVISER
FOR GERMANY

Berlin, June 29, 1949.

RESTRICTED

Not for Distribution Outside the Department of State

No. 794

Subject: Status of Internal Restitution Program in United States Zone of Germany.

The Office of the United States Political Adviser for Germany has the honor to refer to its despatch No. 750 of June 17, 1949, concerning restitution of identifiable property, and to transmit herewith a copy of a statement concerning the internal restitution program in the United States Zone of Germany as of May 31, 1949. This statement was prepared by the Property Division of the Office of Military Government for Germany (U.S.) as a section, subject to revision, of the Monthly Report of the Military Governor for May 1949.

Enclosure:

As stated above

In original and ozalid to the Department

Copies to: GAP - Mr. Trivers
GAE - Mr. Reinstein
American Embassy, London
American Embassy, Paris

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DMR

INTERNAL RESTITUTION

The status of internal restitution cases in the various restitution authorities as of 31 May is as indicated in the following tabulation:

Restitution Agencies			
Available for processing a/			27,520
Available for disposition			7,248
Final dispositions made:			
Amicable settlements	723		
Granted and not appealed	112		
Dismissed and not appealed	466		
Withdrawn	430		
		1,731	
Forwarded to Restitution Chambers:			
Under Article 63	802		
Because of appeal pursuant to Art. 64	293		
		1,095	
Total disposed of			2,826
Restitution Chambers			
Available for adjudication a/			1,081
Adjudicated and final disposition made:			
Decisions not appealed	82		
Dismissed and not appealed	3		
Withdrawn	53		
		138	
Adjudicated and forwarded to Oberlandesgerichte on appeal:			
Decisions appealed	41		
Dismissed and appealed	6		
		47	
Adjudicated and forwarded to Board of Review on appeal:			
Decisions appealed	1		
Dismissed and appealed	0		
		1	
Total adjudicated			186
Oberlandesgerichte			
Available for adjudication b/			47
Adjudicated and final disposition made:			
Decisions not appealed	2		
Dismissed and not appealed	0		
Withdrawn	3		
		5	
Adjudicated and remanded to Chambers			8
Adjudicated and forwarded to Board of Review on appeal:			
Decisions appealed	1		
Dismissed and appealed	0		
		1	
Total adjudicated			14

a/ Total number of cases received minus those transferred because

Board of Review

Available for review a/		2
Reviewed and final decisions rendered:		
Appeals rejected	0	
Cases accepted and decisions rendered	0	
		0
Reviewed and remanded to:		
Oberlandesgerichte	0	
Chambers	0	
		0
Total reviewed		0

a/ Total number of cases received from Oberlandesgerichte and Restitution Chambers.

All petitions filed by claimants, other than JRSO, have been sent by the Central Filing Agency to the Restitution Authorities. By the end of June they should all be in the hands of the Restitution Agencies. The processing of the JRSO petitions should be completed by the Central Filing Agency during June and the German Restitution Authorities would then be in possession of all claims. On 31 May about six and a half percent of all petitions which had reached the Restitution Authorities were finally disposed of. This percentage will rise at a rather rapid rate when the large backlog of cases, filed in the final month of the filing period, has been processed.

DEPARTMENT OF STATE

DC/R

Memorandum of Conversation

DATE: June 29, 1949

SUBJECT: Termination of Restitution Program in the American Zone of Germany.

PARTICIPANTS: Mr. Ortona, First Secretary, Italian Embassy
EP - Mr. Oliver
Mr. Kiefer

COPIES TO: GAE - Mr. Baker
SWE - Mr. Dowling
L/E - Mr. Maurer
E - Mr. Thorp

740.00119 EW/6-2949

1—1493

Mr. Ortona called at his request and read to me a telegram which had been received from the Italian Foreign Office in regard to the termination date for the filing of meritorious restitution claims in the American Zone of Germany. (This date has been set for June 30 with the concurrence of the Department). The Italian Foreign Office stated that the action of the United States in this regard prejudiced Italian restitution rights under the Peace Treaty, pointing out that the Peace Treaty set no time limit for restitution from Germany. The Foreign Office stated, furthermore, that Italy had received by way of restitution only 30 percent of the property which the Germans had looted from Italy and that the termination of restitution at this point would accordingly have serious economic consequences. The Embassy was requested to see what it could do to secure a change in the cut-off date for filing of claims.

I pointed out to Mr. Ortona that this question should be considered in the light of the development of the restitution program in the American Zone since the end of hostilities. I recalled that the United States had as early as March 1946 invited the Italian Government to submit claims for restitution of property in the American Zone. This was at a time when there was no legal basis for such restitution, and when in fact the relevant Allied Control Council Agreements had specifically limited restitution to United Nations. The legal basis for restitution to Italy was not established until September 1947 with the coming into effect of the Peace Treaty with Italy. By that time we had already of our own accord restituted significant quantities of property to Italy.

NA

In

OK

In October 1947 we thought the restitution program had reached the point where it would be possible to begin to think about termination schedules, and we had announced the termination date of April 30, 1948 for the filing of restitution claims, this termination date not to affect cultural properties, securities and meritorious claims to general property. We thought that the six months notice was altogether fair and equitable.

The deadline of which the Italian Government has now complained had come fully 14 months after the general deadline. In the intervening period the Italian restitution authorities had submitted a substantial number of claims. Practically all of these have been turned down as being not meritorious. We had agreed that the rejections of claims based on certain ROGES and RUK files had been inappropriate and, as we had recently advised the Italian Embassy, instructions had gone out to the field to the effect that these claims were to be reviewed. We had every reason to believe that this would be done, although we could not of course predict whether any restitutable property could be found as a result of the indicated review.

Those of us who had been close to the restitution program in Germany since its beginning had every reason to feel that in spite of certain inequities which may have occurred, the United States on the whole had done an outstanding job in this regard. It might be true that Italy had recovered only 30 percent of its property losses. On the basis of information which had come to us I thought that this was representative of the extent of restitution to other countries as well. I pointed out that when account was taken of destruction, detrioration, dissipation and other types of losses which would naturally affect property in the war and post-war periods, the 30 percent figure was actually more substantial than appeared to be the case.

In regard to Italian rights under the Treaty, I pointed out that restitution was to be effected in accordance with the measures to be determined by the military authorities in Germany. We could not agree that there was an absolute and indefinite right to restitution under the Treaty, and from a legal point of view the termination dates which we had introduced appeared to us to be perfectly permissable.

We have nowreached the point, more than four years since the end of hostilities, where it was hardly likely that we or anyone else could hope to recover any further significant quantities of looted property in our zone. This being the case there was no justification, in our point of view, in further maintaining a restitution program which had placed considerable demands upon us in money and personnel.

Mr. Ortona

Mr. Ortona suggested that the question might have to be taken up at a higher level. I stated that the foregoing represented my estimate of the situation, and that if I were asked for any recommendations they would follow therefrom.

We then saw Mr. Oliver who reaffirmed to Mr. Ortona the unlikelihood of obtaining further action on the Italian complaints at this level, suggesting that if the Ambassador felt strongly enough about this matter he might wish to take it up with the Secretary or the Under Secretary. We thereupon reviewed certain of the points which I had previously discussed with Mr. Ortona. Mr. Ortona then stated that he would take up the matter with the Italian Ambassador and keep us informed of any further steps which might be taken.

OFD:EP:AFKiefer:cd 6/29/49

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DEPARTMENT OF STATE
INCOMING TELEGRAM

OFFICE OF GERMAN AND AUSTRIAN AFFAIRS

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Control 159

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DEPARTMENT OF STATE
Rec'd July 1, 1949
10:17 a.m.

FROM: Belgrade

TO: Secretary of State

NO: 633, June 30, 9 p.m.

Today's BORBA declares Soviet occupation authorities hinder restitution plundered Yugoslav property in Soviet zones Germany and Austria; states such attitude not surprising on part Anglo-American authorities as not in their interest build up Socialist Yugoslavia, but Soviets' stand deeply injures Yugoslav people. Soviet now sabotage Yugoslav restitution demands openly as part of Cominform campaign, but even before Cominform resolution Soviets subtly hindered work of Yugoslav restitution mission. This is but another proof "that roots of unsocialist Soviet attitude toward our land are much deeper and Cominform resolution brought them to light and made them official". Several examples Soviet refusal to return Yugoslav goods plundered by Nazis cited from 1946, 1947 and early 1948. In one case Soviets seized Yugoslav machines in Germany as war booty.

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Pouched Vienna Berlin.

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Control 12694

Rec'd June 30, 1949
9:44 a.m.

FROM: Warsaw

TO: Secretary of State

NO: 953, June 30, 2 p.m.

REDEPAGAM 267 April 21, DEPTEL 326 May 19 and EMBTEL 783 May 23.

NC 860c.0444

Foreign Office has advised us by note that article 27 of Polish Inheritance Law of October 8, 1946 provides Treasury of Polish state is successor to heirless Polish property outside Poland and, therefore, to "heirless Polish property in Germany". Text of note being pouched.

GALLMAN

JMK:MEK

Note: DEPTEL 326 and EMBTEL 783 were follow-up telegrams on DEPTS A-267.

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IRO file

CABLE: INOREFUG-WASHINGTON

TELEPHONE: MICHIGAN 8000

UNITED STATES OFFICE
INTERNATIONAL REFUGEE ORGANIZATION
(GENEVA, SWITZERLAND)

July 1, 1949

SUITE 819
1346 CONNECTICUT AVENUE
WASHINGTON 6, D. C.

740.00119 EW/7-149

Secretary of State
Department of State
Washington, D. C.

Attention: Mr. Covey T. Oliver
Division of Economic Property Policy

Dear Mr. Secretary:

I write with reference to my letters of May 16 and May 27, 1949, and the letter of General Walter A. Wood, Jr. of June 8, 1949, addressed to Colonel A. L. Hamblen, Deputy Chief, Civil Affairs Division, Department of the Army, regarding the claim of the International Refugee Organization to a certain lot of diamonds which it is believed should be transferred to the IRO as non-monetary gold. In the aforementioned letters, we requested that the Department of State take necessary action to postpone disposition of the diamonds by OMGUS pending receipt of documentary information which the IRO was compiling.

On behalf of the Director General of the IRO, I am pleased to advise you, that the major portion of our study has been completed; and that the results are set forth in the enclosed document entitled, "Claim of the International Refugee Organization to Diamonds Looted by the Nazis and Recovered by the United States Military Authorities in Germany." This extensive survey of Nazi looting of diamonds was undertaken by the IRO in order to determine whether or not the diamonds recovered by the United States Military Authorities in Germany, reported as totaling 198,000 carats, which were the subject of an OMGUS (Berlin) Press Release dated April 30, 1949, should be made available to the IRO for the rehabilitation and resettlement of non-repatriable victims of German action, in accordance with Article 8, Part 1, of the Final Act of the Paris Conference on Reparation, the Five Power Agreement of June 14, 1946, and the United States Joint Chiefs of Staff Non-Monetary Gold Directive to USFET and USFA, Cable W85682.

The results of our survey clearly indicate:

1. That the 198,000 carats of diamonds must have been looted by the Nazis;

2. That they were the valuable personal property of racial and religious victims, mostly Jewish, of Nazi persecution;

3. That they cannot, therefore, properly be turned over to the German economy; and

Enc. in Bulky Files

4. That they should be transferred to the IRO in accordance with the Reparation Agreements and the United States Joint Chiefs of Staff Directive which allocates looted valuables (non-monetary gold) for the rehabilitation and resettlement of surviving victims of German action who have no government represening them receiving reparations from Germany.

Although the enclosed report is substantially complete, we are awaiting some additional data, particularly affidavits from persons resident abroad, further illustrating the methods employed by the Nazis in the looting of diamonds. We should like to submit such additional data as soon as it is received, probably within the next week or 10 days, as a Supplement to the enclosed Report. In order, however, not to delay submission of our study, we present the enclosed with the hope that the Department of State will give it serious consideration; and in the light of the information which we have compiled, will transfer the looted diamonds to the IRO in order that the IRO may continue to implement the Program of Allocation of a Reparation Share to Non-Repatriable victims of German Action by extending further assistance to the surviving victims.

Sincerely yours,

Abba P. Schwartz

Abba P. Schwartz
Special Consultant, Reparations

Enclosures

TELEPHONE: MICHIGAN 8000

COPY

UNITED STATES OFFICE
INTERNATIONAL REFUGEE ORGANIZATION
(GENEVA, SWITZERLAND)

SUITE 819
1346 CONNECTICUT AVENUE
WASHINGTON 6, D. C.

May 16, 1949

Secretary of State
Department of State
Washington, D. C.

Attention: Mr. Covey T. Oliver
Division of Economic Property Policy

Dear Mr. Secretary:

I write on behalf of the Director General of the Internation Refugee Organization regarding recent reports about the contemplated sale of certain diamonds in Germany which are claimed by the Government of Belgium as having been of Belgian origin. The question of the disposition of these diamonds is of vital interest to the IRO since we feel that if the diamonds are not returned to the Belgian Government, they should be transferred to the IRO as non-monetary gold.

Sometime ago while the IRO reparation staff was stationed in Germany to receive the transfers of non-monetary gold from the United States military authorities under the "Non-Monetary Gold Directive" of the Joint Chiefs of Staff, they received reports of the existence of large deposits of diamonds at the Foreign Exchange Depository in Frankfurt which were not being turned over to the IRO. Inquiries were directed to OMGUS to ascertain if these diamonds came within the Joint Chiefs of Staff Directive, since the IRO was and is anxious to receive as much non-monetary gold as possible in order that it may, through the proceeds of liquidation of non-monetary gold, extend the greatest assistance to the greatest number of non-repatriable victims of German action. At that time the IRO representatives were advised that certain deposits of diamonds in Hanou and Frankfurt which the IRO was not receiving would be returned to the Belgian Government, since they were of Belgian origin looted from Belgium by the Germans. Since the IRO receives only non-monetary gold the individual or national origin of which is unknown, we did not pursue the matter any further.

The recent press reports about the contemplated sale of diamonds claimed by the Belgians lead us to believe that the diamonds about which we made inquiry in Germany are the same as referred to in the press. On the basis of the reports and information which we have it would appear that the diamonds in question, if the same as those about which we inquired, were looted; and if the Belgian Government is unable to substantiate its claim and there are no other claims, the diamonds should properly fall within the category of non-monetary gold to be turned over to the IRO pursuant to Article 8 of the Final Act of the Paris Conference on Reparation, the Five Power Agreement of June 14, 1946 and the United States Joint Chiefs of Staff "Non-Monetary Gold Directive."

It would be greatly appreciated, therefore, if the Department of State would take the necessary action to postpone the disposition of the diamonds by OMGUS until the Department has had ample time to study the question further in the light of documentary information which the IRO hopes to submit in the very near future.

On behalf of the Director General of the IRO, may I express our appreciation for any attention which you may be able to give to this matter.

Respectfully yours,

Abba P. Schwartz
Special Consultant, Reparations

COPY

8 June 1949

Colonel A. L. Hamblen
Deputy Chief
Civil Affairs Division
Department of the Army
Rm. 2 C 563-Pentagon Building
Washington 25, D. C.

Dear Colonel Hamblen:

In the absence of General Magruder in Paris, I would like to present for your information and consideration the following matter which is of substantial interest to this organization.

The International Refugee Organization has learned through press reports of the existence of approximately 200,000 carats of diamonds being held by the Department of the Army at the Foreign Exchange Depository in Frankfurt. These diamonds have been claimed by the Gelgian Government as being of Belgian origin. It has also been reported that the Department of the Army has decided to turn these diamonds into the German economy.

As you know, the IRO has been charged with the responsibility of disposing of property looted by the Germans for the benefit of non-repatriable victims of Nazi action. The quantity of diamonds in question is so vast that our staff members familiar with the German diamond industry believe strongly that they are not of German origin, and that there is a strong presumption that they were looted by the Germans.

The IRO has been assembling statistical information on the German diamond industry which, we believe, will tend to substantiate the strong presumption that these are in fact looted diamonds. We feel also that, in view of the large quantity of diamonds involved, the Department of the Army will see fit to undertake a thorough examination of all relevant documentation bearing upon this case before a final decision as to the ultimate disposition of these diamonds is reached and implemented.

I shall be grateful if following such a study, the results, whatever they may be, be made known to this office.

Sincerely yours,

W. A. Wood, Jr.
Major General, U.S. Army Retired
Chief, United States Office IRO

WAWj/DR/at

cc: Mr. Warren-State
Geneva IRO
D. Rolbein (2)

COPY

Berlin - April 30, 1949
OMGUS Public Information Office

United States Military Government officials commenting on the allegations made by the Federation of Belgian Diamond Exchanges that military government had refused to restitute enormous quantities of polished and industrial diamonds to Belgium pointed out today that the statement by the Federation that the Belgian authorities had established beyond doubt its right to practically the whole of these properties is a misrepresentation of the facts. The Belgians failed to establish identification which is required for the restitution of such properties, according to Mr. Orren R. Mc Junkins, Chief of the Reparations and Restitution Branch, Property Division, OMGUS.

"In an attempt to obtain these properties the Belgian representatives insisted that military government permit Belgian designated experts to inspect these properties, but this request was denied for obvious reasons. Military Government engaged an independent group of experts to determine whether or not the diamonds could be identified and its findings were that identification was impossible. As a result of this determination, no further consideration could be given to the Belgian claim for the diamonds. Had the Belgians been able to identify these diamonds it would have still been necessary for them to establish the fact that these diamonds were physically in Belgium at the beginning of the German occupation of that country."

As to the 50 thousand carats of polished diamonds alleged by the Belgians to have been seized by the Germans, Military Government officials state that they have no knowledge of the whereabouts of these properties and so far have not been provided with any information which might lead to their recovery. Military Government has worked out a plan for disposal of the industrial diamonds by sale for use in the German economy in small lots to prevent flooding the market and at such prices as are established for current imports. Sale of these properties has already started.

DIVISION OF
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DEPARTMENT OF STATE
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7/11/49, 9:45 p.m.
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Control 3166

Rec'd July 9, 1949
11:38 a.m.

740.00119EW/7-149

FROM: Vienna

TO: Secretary of State

NO: 827, July 8, 6 p.m.

Reference DEPTEL 665, July 1.

Finance Minister confirmed in informal conversation Austro-French agreement whereby French waive all further restitution in return for lump sum payment 25 million schillings by Austria. Negotiations completed but not yet signed. Finance Minister intimated agreement also has provisions for German external assets. Unable to determine what these provisions are but presume that in view of this inclusion, the whole agreement could not be signed before treaty and consultation UK and US Governments.

XR 800.515

Minister also confirmed agreement providing French participation in Laender Bank on theory that former sale by French was under duress and payments inadequate.

Believe these agreements are independent though related. In previous conversation with French Minister, De Monicault, he mentioned lump sum restitution settlement agreement which he was about to conclude and stated that the Ranshofen transformer were specifically excluded. French took attitude that such exclusion, was in effect, Austrian commitment to give over the transformer. Finance Minister's attitude was that transformer was excluded because it was not subject to restitution. French Minister's statement implied that decision by US to deny restitution claim would affect Austro-French restitution agreement. Finance Minister does not see or fear that it would have any effect.

Legation's view is that transformer case should be judged by its own merits and that two agreements above mentioned should not be taken into consideration in our

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DEPARTMENT OF STATE

INCOMING TELEGRAM

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Rec'd July 9, 1949
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FROM: Vienna

TO: Secretary of State

NO: 827, July 8, 6 p.m.

Reference DEPTEL 665, July 1.

OFFICE OF GERMAN AND AUSTRIAN AFFAIRS
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JUL 11 1949
DEPARTMENT OF STATE

Finance Minister confirmed in [illegible] Austro-French agreement whereby French waive all further restitution in return for lump sum payment of million schillings by Austria. Negotiations completed but not yet signed. Finance Minister indicated agreement also has provisions for German external assets. Unable determine what these provisions are but presume that in view of this inclusion, the whole agreement could not be signed before treaty and consultation with US Government.

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Believe these agreements are independent though related. In previous conversation with French Minister, De Monicault, he mentioned lump sum restitution settlement agreement which he was about to conclude and stated that the Ranshofen transformer case specifically excluded. French took attitude that such exclusion, was in effect, Austrian commitment to give over the transformer. Finance Minister's attitude was that transformer was excluded because it was not subject to restitution. French Minister's statement implied that decision by US to deny restitution claim would affect Austro-French restitution agreement. Finance Minister does not see or fear that it would have any effect.

Legation's view is that transformer case should be judged by (#) should not be taken into consideration in our

Secret

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SECRET

-2- #827, July 8, 6 p.m., from Vienna

in our decision. If these agreements do in fact influence case of transformer, that appears to be fact which should be notified to U. by the French or Austrians.

ent Department, repeated London [illegible] Reber.

[illegible]

(#) Apparent omission. Repetition requested.

PM:GN

SECRET

CLAIM OF THE INTERNATIONAL REFUGEE ORGANIZATION TO DIAMONDS LOOTED BY NAZIS AND RECOVERED BY THE U. S. MILITARY AUTHORITIES IN GERMANY

1, July 1949
International Refugee Organization
Washington, D. C.

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Introduction

1. The International Refugee Organization requests that the 198,000 carats of industrial diamonds recovered by the U.S. Military Authorities in Germany, which were the subject of the OMGUS (Berlin) press release of 30 April 1949, be made available to the IRO in accordance with the intent of Article 8, Part I, of the Final Act of the Paris Conference on Reparation, the Five-Power Agreement of 14 June 1946, and the Joint Chiefs of Staff Non-Monetary Gold Directive to Commanding Generals, USFET and USFA (See Appendix I).

2. The IRO has undertaken this intensive study of available information on the sources of industrial diamonds in Germany, on German imports, consumption and stocks of industrial diamonds in Germany both before and during the war. It embraces official statistics of the German and other governments, trade statistics compiled by The Diamond News, The Diamond Industry, by the U.S. Department of Commerce, the U.S. Bureau of Mines, by the U.S. War Production Board, and Special Reports on Diamonds by Allied Military Intelligence. The IRO has also interviewed diamond merchants who personally were despoiled of their property by the Nazis in order to gain an insight into the methods by which the Germans may have accumulated stocks of industrial diamonds. Although there are gaps in the information as to precise quantities, never-the-less the preponderant weight of evidence points clearly to the following:

(a) At the outbreak of the war, German stocks of industrial diamonds derived from purchase abroad were approximately 860,000 carats. This reserve could not support even the most urgent German war requirements for more than two years; i.e., through mid 1941.

(b) The German Government engaged in wholesale looting of diamonds of all types in a desperate effort to maintain its production of war materials. This looting extended even to stripping diamond cutting machinery.

(c) The quantity of industrial diamonds looted was vastly greater than the 198,000 carats presently held by the U. S. Military Authorities. The IRO is convinced that there still remain hidden caches of diamonds from these expropriations; and that many of the diamonds now in possession of German jewelers and diamond tool manufacturers have been obtained from looted sources.

These conclusions are supported by:

(1) Statistical analysis of German prewar imports, consumption and stocks of industrial diamonds to the outbreak of the war in September 1939.

(2) Governmental and private documentary evidence of German looting of diamonds before and during the war years.

(3) Documentary evidence of extensive shortage of industrial diamonds during the war years.

Appendix II presents the detailed analysis of the German industrial position prior to and during the war. It is footnoted with the sources of information. Appendix III contains affidavits of victims* whose diamonds were looted, as well as photostatic copies of documents relating to German looting.

3. As a result of this investigation, the IRO concludes that the industrial diamonds found by U.S. Authorities in Germany are but a small part of the diamonds (industrial and others) looted by the Germans from inhabitants of Germany, Austria, Czechoslovakia, Belgium, Holland, France, Hungary, Roumania, Poland, and the occupied Baltic and Scandinavian States. Many of these people, in the main

*Receipt is awaited of additional affidavits from victims resident abroad.

Jewish, were subsequently killed. A very great proportion of the looted diamonds derives therefore from Jewish owners who are now dead. The diamond industry of these countries, as of most of the world, had traditionally been Jewish enterprises. With the fact of looting and the fact of predominant Jewish ownership recognized, it is obvious that these diamonds by every moral and legal standard should not be used in the reconstruction of the German economy. To do so, would be to permit property previously looted from the victims of Nazi persecution to be utilized for the assistance of the aggressors---and to commit a travesty of justice.

PART I

PREWAR GERMAN INDUSTRIAL DIAMOND IMPORTS, CONSUMPTION AND STOCKS

Accumulation of German Stocks in the Prewar Decade

The prewar pattern of German diamond supply and requirements must be viewed in the light of German armament production. The Nazi armament program preceded the war production programs of the Western Powers by several years and was well under way by 1934. During 1936, 1937, 1938 and 1939, German war production was rapidly increasing and had almost approached its peak by 1939. As a consequence, consumption by Germany of industrial diamonds increased very rapidly. During those years diamonds could of course be purchased abroad and German imports were very substantial.

The Nazi war planners, having in mind the fact that all industrial diamonds (with the exception of a trivial amount obtained from Brazil)[1] had to be imported from areas under Allied control, attempted to build up a stockpile of industrial diamonds. This they did successfully by restricting the consumption of industrial diamonds, and by increasing imports in prewar years. The rapid increase in German imports is attested by Ernst Winter, head of the firm of Ernst Winter & Sons. This company alone consumed about one-third of total industrial diamonds brought into Germany. Winter's statement to Allied

(1) Total Brazilian production did not exceed 350,000 carats at its peak in 1939. Of this total, the U.S. alone imported 180,000 carats. See Diamond Industry, 1939, edited by S.H. Ball, published by Jewelers Circular Keystone, N.Y.C.

Military Intelligence is as follows: "Ten years before [the war] the yearly influx of industrial diamonds amounted to 2,000,000 RM and rose during the last two years [before the war] to perhaps 7,000,000 RM. This included all types of industrials."(2) Restrictions on use came early. In 1935, for example, diamond boring crowns were forbidden.(3) Diamond use taxes were imposed and all imports of industrial diamonds were subject to Government permit. Importers were obliged to deposit their diamonds with a central depository in Berlin and could draw on these stocks only if they presented orders from armament industries.(4)

The Reichstelle fur Technische Erzeugnisse was very successful in building up a substantial stockpile of industrial diamonds. By the end of 1937, it appears that this stockpile was almost 2,500,000 carats of industrial stones including Boart and large and small industrials. This large stockpile together with the optimism engendered by Nazi political successes in 1937 and 1938, and the need to conserve foreign exchange induced the Germans to curtail sharply their imports in 1938 to about one-quarter of the 1936 and 1937 rates. This cutback was so severe the Diamond News reported that "The German cutting industry suffered a major setback in 1938 because of a reduotion in imports."(5)

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(2) F.I.A.T. (Field Intelligence Agency, Technical) Report #370 - The German Abrasive Industry, by S. H. Kistler, Joint Intelligence Objectives Agency, Washington, D.C., 1945, p. 31, 32

(3) B.I.O.S. (British Intelligence Objectives sub-committee) Final Report #1448 - The German Industrial Diamond Industry, p. 23

(4) F.I.A.T. Report #370, p. 31, 32

(5) The Diamond Industry, 1938, p. 6

German consumption of industrial diamonds, however, continued to increase in line with the huge production of military equipment. Thus 1938, a depression year for the U.S. and most of Western Europe, was a banner year for German production. Steel production, to cite an example, increased by 17 per cent over its 1937 rate—from 21.9 million net tons to 25.6 million net tons.(6) Consumption of industrial diamonds increased from approximately 1,400,000 carats in 1937 to about 1,700,000 in 1938. Continued high consumption and reduced imports cut sharply into the stocks of industrial diamonds. Stocks therefore decreased from 2,459,000 carats at the end of 1937 to 1,096,000 carats at the end of 1938. This sharp reduction of diamond stocks, the growing difficulties with the Western Powers, and the incessant requirements of German war industries gearing up for the Polish invasion, forced the Nazis into the world diamond markets again. The German trade agreements with the Herzog Government of the Union of South Africa covering £20,000 of industrial diamonds in 1938 was stepped up by the 5th Payment Union Agreement (September 1, 1938 to August 31, 1939) to provide for import of industrials valued at £115,000, an almost sixfold increase. The 6th Payment Agreement scheduled to follow the completion of the 5th Agreement, also involved industrial diamonds worth £115,000. This latter agreement was abrogated by the South African Government on the outbreak of the war in September 1939, and no diamonds were shipped as a result of this agreement.(7) The sharp increase in German diamond imports from Africa, Brazil, Belgium and other areas in 1939 could not halt the depletion of German industrial diamond stocks. The increasing tempo of war

(6) Annual Statistical Report, American Iron and Steel Industry, 1945, p. 125

(7) The Diamond Industry 1939, p. 8

preparations inevitably increased industrial diamond consumption so that by the outbreak of the war, industrial diamond stocks attained through foreign purchases were approximately 860,000 carats (See Appendix II, Table I).

The growth and decline of German diamond stocks, and the rise in consumption and imports are clearly shown in Chart I (See Appendix II). A word of explanation is necessary for the proper evaluation of this Chart. The crucial figure for the purposes of this report is the size of Nazi stocks at the outbreak of the war, derived solely through legitimate German purchases of industrial diamonds with German funds. This is what the Chart portrays. To the extent that German stocks were enriched by plunder, extortion, and looting from the time the Nazis gained power to the end of 1939, the stock figures shown in the Chart are smaller than the actual stocks. All that is necessary to show however is that legitimate stocks could not have been the source of the 200,000 carats in issue. There is no question but that stocks from all sources legitimate and plundered were used by the Nazis and as we shall show the plundered stocks constituted virtually the entire supply from 1942 on.

PART II

CONSUMPTION OF INDUSTRIAL DIAMONDS DURING THE WAR - 1939-1944

Could 860,000 carats of industrial diamonds support German war consumption from September 1939 through 1944, a period of over five years, and still allow at least 198,000 carats to be left intact?[8]

This is the crucial question, and to pose the question is virtually to answer it. Allowing for the utmost conservation of industrial diamonds, a supply of 860,000 carats in 1939 could not possibly have met the most urgent needs of wartime military production. Even if the German authorities were able to curtail consumption to a rate no greater than in 1932 (190,000 carats) when their total industrial production was no more than a fraction of their wartime level, their stocks would have been exhausted by the middle of 1943. Further to predicate German war production for five and one-half years of war upon a stock of 860,000 carats of which 198,000 remained unutilized would imply that German average consumption over this period was no greater than 82,000 carats per year, or less than half of the German depression rate of consumption. When we consider that the U.S. consumption of industrial diamonds in 1941, 1942 and 1943 averaged over 6,000,000 carats per year, over 80 times as great as the required German rate while U.S. war output was probably no greater than three times the German war output, the absurdity of this position is patent.[9]

(8) Ernst Winter, head of Ernst Winter & Sons, manufacturers of diamond tools accounting for almost a third of total German consumption mentioned during his interrogation by Allied Military Intelligence in 1945 that the stocks held in Berlin were split into several lesser hoards after the severe bombing of Berlin and that the largest of these was in Sturtzbach, Thuringia. To his knowledge these had not been found by either the Americans or the Russinas. F.I.A.T. Report #370, p. 31, 32.

(9) WPB Files on Industrial Diamonds (Code 528.5) in U.S. Archives indicate American consumption of 12,000,000 carats in 1943 or a rate of over 135,000 carats per million tons of steel production.

It is true that German war industry, as a result of the severe diamond shortage in World War I, had developed tungsten carbides to a high degree of perfection as a substitute for diamond tools. But even the hardest of the tungsten carbides are much inferior to the softest industrial diamonds. Industrial diamonds are, therefore, indispensable for quality production especially in aircraft, armored vehicles, tanks, and precision equipment.(10) There is no evidence that German materiel had deteriorated in quality until the closing stages of the war. This use of substitutes even before the war limited the savings possible in wartime use of diamonds. Thus in 1937, 1938 and 1939, when German stocks of diamonds were substantial, German consumption of diamonds was at a rate of approximately 65,000 carats per million tons of crude steel produced, or less than half the American wartime rate.(11) Thus though conservation is always possible, German industry which had been trained on a low diamond diet, could less easily curtail its diamond consumption than other countries. However, even if Germany could have restricted her consumption to as little as 20 per cent of her 1939 diamond use or about one-fifteenth as much as US consumption (approximately 400,000 carats per year), German stocks would have been dissipated before 1942.

(10) Thus Sidney H. Ball, diamond expoert of the U. S. Bureau of Mines and editor of The Diamond Industry remarked: "Due to army mechanization, industrial diamonds are a much greater factor in war than they were 25 years ago. This is particularly true in Germany where alloyed steel is used more than ever before"—Diamond Industry, 1939, p. 15, and "No important war weapon is used today by our forces in the manufacture of which the diamond is not used and by which the manufacture is not speeded up." Diamond Industry, 1943, p. 20

It is because diamonds are largely used to cut, grind, bore, polish, and draw steel that this report has adopted the production of steel as a general index of diamond consumption.

(11) WPB Files, op.cit.

There is additional evidence to buttress the conclusion derived from the statistics of German wartime consumption of industrial diamonds that 860,000 carats would have been far too small to meet Nazi war production demands and that in fact much more than that was consumed. The consumption of a typical German industrial diamond tool manufacturer during the war is given in the B.I.O.S. Final Report.(12) The firm of Rudolph Heger, Freiburg in Bresigau, a producer of diamond tools since 1908, reported its consumption of industrial diamonds as follows:

		% of Prewar
Prewar consumption	500 carats per month	100%
Wartime up and through 1942	200 carats per month	40
1943	50 carats per month	10
1944	None until December when 53 carats were allocated at a price of 4000 RM or almost 80 RM per carat.	10

Thus it appears that for almost three and one half years following the outbreak of the war, German consumption was approximately 40 per cent of the prewar rate or about 450,000 carats per year. On this basis, German consumption from September, 1939 through December 1942, would have required about 1,600,000 carats, about twice the legitimate stocks available in 1939. The overwhelming shortage after 1942 is evident in the figures.(13) Rudolph Heger's consumption in 1943 and 1944 was only 10 per cent of the prewar consumption. On the basis of the total consumption figures shown in Chart I this would be equivalent to a consumption in the last two years of the war of approximately 190,000

(12) B.I.O.S. Final Report #1448, p. 34

(13) The shortage appears to have been extreme as early as 1940. The official German list of war material in short supply shows industrial diamonds with the comment that any quantity, no matter how small, should be mobilized. (Nazi Conspiracy and Aggression, Office of U.S. Chief of Counsel for Prosecution of Axis Criminality, U.S. Government Printing Office, Washington, D.C., 1946, Volume VII, page 325; hereinafter referred to as Nazi Conspiracy)

carats per year. This figure is confirmed by the testimony of Ernst Winter. According to an F.I.A.T. Report (14) Winter's "estimation of volume used during the latter years of the war was 15000 carats per month"---(180,000 carats per year or about 400,000 carats to the end of the war). Thus the personal testimony of German manufacturers is consistent with and corroborates the clear picture derived from the prewar statistics of imports, consumption and stocks. It is therefore fundamental that German stocks derived from purchase abroad up to September 1939 could not have supported German consumption beyond 1941. Germany consumed approximately 2,000,000 to 2,250,000 carats of industrial diamonds during the war. German industry obtained at least 1,200,000 - 1,400,000 carats from sources other than prewar imports.

The evidence is crystal clear that at least the 1,200,000 - 1,400,000 carats were obtained directly and indirectly from looted individuals and companies, preponderantly of Jewish origin, as established in the following pages.

(14) F.I.A.T. Report #370, p. 32

A. Imports From Neutrals

Before considering the question of German looting from the Jewish people all over Europe and from other victims, we must consider the possibility of German imports from countries beyond Allied control. The most important producing countries outside of Africa (which accounts for 98 per cent of the industrial diamond production of the world) are Brazil and Borneo.

Borneo production is trivial. From 1934-1939, Borneo produced an average of 1800 carats a year. In 1939, her output was 2287 carats. It is possible that the Japanese increased this output by mining normally uneconomic areas to perhaps 10,000 carats per year.(15) In view of the shortage of diamonds in Japan, not all of this output (if any) could go to Germany.

Of somewhat greater consequence is Brazilian output. In 1939 and 1940, Italian airlines were transporting Brazilian diamonds to Germany.(16) Brazilian output before the war had been approximately 200,000-250,000 carats per year. In 1939, her output was 350,000 carats, of which amount the U.S. imported 180,624 carats of industrial diamonds. In May 1941, the U.S. and Brazil signed an agreement providing that all industrial diamonds produced in Brazil were to be exported to the U.S.(17) Thus it is clear that Brazil was eliminated as a source of industrial diamonds for Germany in the early stages of the war. In view of the heavy U.S. purchases prior to that agreement, it is hardly likely that in 1940, Germany obtained more than two-thirds of the remaining Brazilian supply---perhaps 50,000-100,000 carats.

(15) The Diamond Industry 1941, p. 21

(16) Ibid, p. 22

(17) Ibid.

The official statistics of the European neutrals; i.e., Switzerland, Sweden, Portugal and Turkey show virtually no exports of industrial diamonds from these countries to Germany during the war years.(17a) In fact, however, it is known that smuggling, black market and bartering deals took place between Nazi agents and sources of supply in these countries, especially Switzerland, Sweden and Portugal. These transactions of course do not enter into the official statistics. The German agents in this trade were financed by funds looted from Jews. It is to this tragic story of the German robbery of the Jews of Europe that we now turn.

(17a)
For years 1939-1945, See
Portugal - Instituto Nacional de Estatistica Commercio Externo, Volume II
Sweden - Sveriges Officialla Statistik Handel av Kommerskollegium
Turkey - Statistique Annuelle du Commerce Exterieur
Switzerland - Statistique Annuelle du Commerce Exterieur de la Suisse (See Appendix II)

B. The Plunder of the European Jews

Though the slaying of the German official, Von Rath, was the pretext, one of the real reasons for the first great expropriation of the Jews was the ominous drop in diamond stocks in 1938 and the Nazi need to acquire foreign exchange for the purchase of industrial diamonds and other vital war materials such as tungsten, chromium, manganese, etc.

The Jewish population of Germany was fined 1,000,000,000 RM in November 1938. This enormous sum was extorted in cash and in precious metals, stones, art objects, etc. Special Government bureaus were set up for the purpose of receiving jewelry and art objects. By early March 1939, German Jews and Stateless Jews were required to turn their jewelry over to government pawnshops (the notorious "Pfandleihe") which were to "pay" for them.(18) The prediction expressed in many German publications "that the fraulein may soon find her diamond jewelry confiscated for national factory purposes" was averted by the vast quantity of stones stolen from the Jews.(19) By the end of 1939 too a stream of diamonds and other loot was coming in from Poland where the Nazis were methodically stripping the largest Jewish population in Europe of its valuables. A pathetic and monstrous inventory from the extermination camp of Lublin indicates the neurotic thoroughness of Nazi plunder. When fountain pens, eye glass frames, and broken watches were collected, how could diamonds be over-looked? In fact they were not over-looked as the attached list taken from the Official Proceedings at Nurnberg show.(20)

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(18) Diamond Industry 1939, p. 5

(19) Diamond Industry 1939, p. 15

(20) Nazi Conspiracy, Supplement A, 1947, Document 3948-PS, pages 677,678. See Appendix III.

As indicated this list was just the second shipment from the Polish extermination camps. The Provisional Balance Sheet of the Action "Reinhardt" (extermination of the Jews in the Lublin area) from April 1, 1942 to December 15, 1943, inclusive, showed a value of 178,745,960.59 RM. As Globocnik, SS Gruppenfuehrer and Lt. General of Police in charge of the Action "Reinhardt", stated "Minimum values have been assured so that the total value is more likely twice as much."(21) Of the 178,745,960.59 RM, the jewelry total accounted for over one-fourth; in Globocnik's estimate approximately 43 million RM. Thus, we have items with diamonds as follows:

15,883	Rings, gold, with brilliants and diamonds	23,824,500.00RM
353	Bracelets with brilliants and diamonds	1,232,000.00
130	Single large brilliants	130,000.00
2,511.37	Carat Individual brilliants	251,137.00
13,458.62	Carat Individual diamonds	672,931.00

and other similar material. This inventory was only a portion of the Action "Reinhardt" and referred only to Lublin to which area Jews from all over Europe, as well as Poland, were brought.(22)

The total quantity of diamonds obtained in this pillage of European Jewery over a period of almost 7 years is unknown. The Lublin list referred to is undoubtedly only a small fraction of the total. On March 31, 1944, a German official, Kropp, felt obliged to write a memorandum "Subject: Utilization of Jewels and so forth which were acquired by official agencies in favor of the Reich"(23) This memorandum points out that "the question of a uniform utilization of the precious objects is important not only because the Reichsbank should

(21) Nazi Conspiracy, Supplement A, Document 4024-PS, p. 752

(22) Ibid., Document 4024-PS, p. 761 et seq. See Appendix III

(23) Ibid., Document 3947-PS, pp. 675,676.

be given opportunity to sell unprocessed jewels, etc., from the Melmer (24) delivery the same way as it did before and not only because its equivalent belongs to the Reich but also due to the following reasons:.....Through sales to foreign countries a considerable amount of foreign currency must have been acquired. A large number of goods ready for export are still in possession of the Pawn Shop. Among others, diamonds of 35,000 carats and very small diamonds (roses) of a very high value." Mention is made about the utilization of jewels by the Reichsbank in Kattowitz and jewels, a.s.f., which have been acquired as war booty, etc., etc. (25)

There are many affidavits indicating the existence of packing crates in the vaults of the Reichsbank in Frankfurt and Berlin, etc. For example, see Affidavits of Capt. S. Harris, JAGD, and Lloyd Louis Garnell, concerning the Reichsbank vault in Frankfurt, Germany. (26)

(24) Melmer was the SS Messenger who delivered the valuables from Auschwitz and Lublin to the Reichsbank. The deliveries from these camps were supposed to be secret and were referred to as the "Melmer Deliveries. Nazi Conspiracy, Supplement A, Document 3947, p. 675.

(25) Ibid., pp. 675, 676

(26) Ibid., Documents 3956-PS and 3976-PS, pp. 686 and 690-691, respectively.

(1) - Utilization of German Diamonds for Obtaining Foreign Exchange and Bartering for Industrial Diamonds

This great looting of the European Jewish community undoubtedly served to swell German industrial diamond stocks directly through the acquisition of industrials from Jewish diamond merchants; and indirectly through the sale of gem diamonds abroad to provide scarce foreign exchange for the purchase of industrial diamonds and other war goods and through the barter of gems for industrials in Switzerland and other netural countries and to make available gem diamonds to be used for industrial purposes when all other sources were exhausted.

The sale of jewelry, gem diamonds and other valuable property abroad for the purposes of securing "hard currency"; i.e., American dollars or Swiss francs, was an established method of German finance throughout the war. There can be little question that a large portion of the industrial diamonds obtained abroad from 1939 through 1944 represented exchanges of seized gem diamonds for industrials either directly through barter or indirectly through sale for hard currencies and subsequent purchase. Though gem stones can be used for industrial purposes (and were so used by the Nazis in the later stages of the war) such use represented a waste of resources, for the much higher price of gem stones compared to industrials meant that for every carat of gem quality as much as 10 to 50 carats of industrials might be obtained.

Three separate ministries appear to have been involved in handling diamonds seized by the Nazis. The Reichstelle für Technische Erzeugnisse, obtained all usable industrial stones which could be sent directly to the armament industry. "Diamant Kontor" was set up to handle Jewish jewelry under

the 1,000,000,000 RM fine of November, 1938, and the Diamond Office, Antwerp for diamonds seized in Holland, Belgium and France after the fall of these countries. The following is an English translation of a memorandum dated May 7, 1942, on behalf of the Military Commander for Belgium and Northern France relating to the utilization of diamonds seized legally. A photostat of the German original is in Appendix III.

Brussels, May 7th 1942.

The Military Governor for
Belgium and Northern France
Chief of Military Department
Group 21 1/2

The Chief
Devisenschutzkommando Belgien

rue de la Loi, 31

BRUSSELS

Utilization of diamonds seized legally on account of criminal proceedings, in favor of the Military Department.
Your letter dated 29/4/42 - Az O. 1720 - A.3.

You are requested to deal as follows with the utilization of the diamonds legally seized by Courts Martial, pursuant to Currency regulations or pursuant to a Regulation for seizure:

1. All raw diamonds are to be offered for purchase to Mr. URBANECK acting as commissionary of the "Reichstelle fur technische Erzeugnisse" Berlin, and in so far as they can be used as industrial diamonds, they are to be sold to the "Reichstelle." Raw diamonds that would not be purchased by the "Reichstelle" are to be sold to the Diamond Office, Antwerp.

2. After evaluation by two experts, cut diamonds are to be sold to the Diamond Office Antwerp (not the Diamond Control Office) which has agreed to purchase.

In both events the sale will be based upon the prices in force on May 10th 1940, as the diamonds handed over to the "Reichstelle" are immediately forwarded to the German armament industry, and as the diamonds sold to the Diamond Office are used for bartering against new raw materials, so that they will be as well indirectly used to serve the purposes of the German Armament Industry.

You are requested to convey all necessary information to the curator Frensel.

On behalf of the Military Commander
for Belgium and Northern France
The Chief of Military Department
By order
(signed) signature
KV Division Principal

The memorandum of Kropp previously referred to indicates the continuing concern of the German banking authorities over the utilization of diamonds and other valuables in order to obtain foreign exchange.

The expropriation of the German Jews in late 1938 and 1939 was followed in quick successiin by the plunder of the Polish Jews at the end of 1939 and 1940, by the looting of the Jewish diamond merchants of Belgium and Holland of their considerable stocks of diamonds, both industrial and gem quality, and the systematic spoliation of the Jews of all Europe including the diamond merchants of Prague, Budapest and Bucharest, of all jewelry and precious metals through 1941 and 1942. The pathetic crates of diamond rings with empty settings from which the diamonds had been removed which were recovered by the U.S. Army and then turned over to the IRO by U.S. Military Authorities in accordance with the Joint Chiefs of Staff Directive on Non-monetary Gold is mute but eloquent evidence of a large source of diamonds for the diamond tool industry of Germany. In 1942, reports which trickled to Allied sources indicated the desperate plight of German industry for diamonds. The price of boart on the Swiss black market had risen by then to $30 a carat, almost 30 times the price in 1939.(27) "Germany, according to reports, is already using gem stones in industry, and the price of crushing boart on the Swiss black market indicates her dire necessity."(28)

The document referred to previously, listing the inventory of diamonds and diamond rings and the document of Kropp show that at least 50,000 carats of diamonds were taken from the Lublin and Auschwitz camps alone over

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(27) Diamond Industry 1942, p. 18

(28) Diamond Industry 1942, p. 18. See also Report of the Bureau of Research and Statistics of Adv. Com. to Council of National Defense on diamonds, December 1940 (WPB Files) which points to the use of gem diamonds, ordinarily reserved for jewelry, for industrial purposes.

a period of roughly a year and a half.

It would be no exaggeration to suppose that this represents only a small fraction, perhaps 5 per cent, of the total of such loot.(29) In France alone the Jewish community was fined 1,000,000,000 francs. This amount, as in Germany, was paid in considerable part through confiscation of property of which certainly a large amount must have been in the form of diamonds and diamond-bearing jewelry.

We have as yet been unable to go through all of the records collected at the Nurnberg Trials, but there can be little doubt that the plunder of some 10 million Jews of Europe, of whom 6-8 million were murdered and stripped of rings and other jewelry, must have yielded a considerable portion of the diamonds which went to the vital tools maintaining the Nazi war machine. To date, of this vast loot, the IRO has received as non-monetary gold from the U.S. Military Authorities only 7,000 carats of diamonds to the value of approximately 1,000,000 RM, less than one-fortieth of the value mentioned in the two extant lists.(30)

(29) It appears that perhaps half a million people were murdered in these camps during the period so that we derive a gruesome ratio of roughly 100,000 carats recovered by the Nazis per 1,000,00 victims or perhaps 800,000 carats from the murder camps alone during the course of the war. This figure is probably very low for total plunder as the victims were pretty completely robbed before their last pillaging.

(30) Total IRO proceeds in dollar value from these diamonds was $225,000. The German wartime conversion rate was 4.2 RM per $1.00.

(2) - The Story of Diamant Kontor

The enormous mass plunder which has been recounted required a large organization to handle the diamonds flowing in from all corners of Europe. Diamant Kontor was an association of German diamond cutters formed October 16, 1939, under the aegis of the German Government to recut and distribute the diamonds and jewelry confiscated by the Nazis under the Von Rath fine. The promoter and manager of this association was Ernst Cremer. The report on this organization as prepared by the Intelligence Branch of the Division of Investigation of Cartels and External Assets of OMGUS in conjunction with representatives of the British Control Commission for Germany is outlined below:

(1) "The unavailability of diamonds resulting from war embargoes precipitated a depression in the industry of raw diamonds." (page 1)

(2) "The German Government embarked upon a comprehensive program of utilizing diamonds in building up German foreign credits" (page 1) ..."Especially damaging to the industry were the blocking restrictions on raw diamonds imposed by the Belgians and the English together with Brazilian and American firms. The result of these conditions was that there were few diamonds held by the industry in 1939 and the prospects of getting them looked rather bleak." (page 2)

(3) "The Jews were forced by German decree to turn in their jewelry to the Pfandleihe. The persecuted people were either told that they would be paid later or were given a paltry sum." (page 2)

(4) "All of the documentary evidence would seem to demonstrate that the association of cutters (i.e., Diamant Kontor) was formed solely for the purpose of cutting diamonds that the government had extorted from the Jews. In fact Cremer himself, at a meeting of the supervisory Board of Diamant Kontor in 20 June, 1940..... stated:

(5)""The sole activity of this corporation (D.K.) is as you know, the dealing in diamonds and precious stones from Jewish jewelry. The Reichs Ministry of Economics has issued by decree of 9 December, 1939, the directions for this!" (page 4)

(6) "All during 1940, Diamant Kontor handled Jewish jewelry exclusively. Not only documentary evidence supports this statement, but Cremer admitted this without reservation during the course of his interrogation." (page 7.)

(7) "The assets which should be available as a result of the operations of the German diamond industry since 1940 are far greater than the supply of diamonds in Germany and foreign credits in which it might have a beneficial interest. The assets should include nearly all the diamonds disposed of by the indstry since 1940...." (page 8)

(8) "Title could not be passed to the purchaser since the German diamond industry never acquired title from the rightful owners in these countries; it only got possession in the most vicious manner." (page 8)

(9) "An analysis of the facts revealed by this investigation makes this principle clearly applicable. In 1939 the German diamond industry was in dire straits, the supply of commercial diamonds was practically exhausted. But in 1940 the exploitation of the Jews

yielded a considerable quantity followed by large sources extorted from the Low Countries and France." (page 8)

(10) "The diamonds possessed by the industry within Germany are rather sizeable. Two rather large sources have been located and effectively blocked. They are possessed by Neumetzger, owner of the the firm Wunderlich, in Hanau and Ernst Cremer, manager of Diamant Kontor." (page 9)

"By his own admission, Neumetzger's stock is worth over 5 million Reichsmarks while Cremer's is valued at something over 150,000 Reichsmarks. Neumetzger's diamonds are in Hanau and have been appropriately secured by the Military Government there; while Cremer's stock is in the Dresdener Bank in Frankfurt and in the Bad Nauheimer Volkebank in Friedberg which have been blocked by the Military Government in Frankfurt and Friedburg respectively. The firm, Imgrund Machfolger of Hanau which was managed by Erich Viehmann is reported to have large stocks of diamonds." (page 9)

The excerpts speak for themselves. No one will ever know the actual quantities of diamonds looted or who finally gained possession of them. But it is apparent that the whole German cutting industry could not have operated for a year and a half unless the diamonds taken from the Jews of Europe ran into the hundreds of thousands of carats, and millions of dollars. It should be stressed that the diamonds now held by German firms are, as the report clearly states, far in excess of any amount they could possibly claim legally.

(3) - Diamond Looted from France, Holland, and Belgium

We are more fortunate in having some records of the quantity of diamonds looted in the Low Countries and France. These diamonds were "legally seized," for the most part from Jews of these countries who had to purchase their freedom by paying in diamonds. Unfortunately their freedom was only temporary as many were executed. We are in possession, however, of affidavits from some survivors. These are given in Appendix III.

The Diamond News of October, 1945 reported that the Allies were asked to restore 50,000 carats of diamonds valued at 15 to 20 million guilders taken to the Reich during the Germany occupation, from Dutch Jewish dealers. "Most of this loot comprises individual 'contributions' with which some Jewish diamond merchants had to purchase their freedom at a price of 20,000 to 120,000 guilders per person."

Johann C. Urbanek of Joh. Urbanek & Co. probably the largest industrial diamond consumer in Germany and delegate of the Reich of the Reichstelle für Technische Erzeugnisse fortunately signed receipts for these legally seized diamonds." The following document refers to one seizure from Mr. Lens, a Jewish diamond merchant, of some 2400 carats in February, 1942.

TRANSLATION

Temporarily at Antwerp
February 17, 1942

Joh. Carl Urbanek
Delegate of the Reich
Office for Technical Products, Berlin

To Field Command 520
Department IV, Antwerp

Subject: The Lens case

I have examined th 2,409.70 carats of diamonds seized from Mr. Lens and state that all of the diamonds are suitable for industrial purposes.

As there is a shortage, such diamonds are especially sought after in Germany for armament purposes, because of their shape and size.

Heil Hitler!

(signed) J.C. Urbanek

I should like to add to the above letter of Mr. Urbanek that this type of uncut stone can not be purchased today either on the official or the black market. They are therefore unusually important for the armament industry, so that the return of these stones or of a part of them would mean for us a loss of valuable raw material. Eventual return of a part of the cut stones might perhaps be considered.

Heil Hitler!

(signed) William Frensel

It appears that Mr. Urbanek had delivered to the Reichstelle für Erzeugnisse upwards of 800,000 carats of industrial diamonds, the origin of which is probably from France, Holland, Belgium, and the ownership of which lies mostly with Jewish diamond merchants of these countries, many of whom are now dead as are many diamond merchants in the rest of Europe who had delivered diamonds to Belgium and Holland for cutting and polishing purposes.(31)

The affidavits set forth in Appendix III exemplify the manner in which the Nazis seized valuable personal property of the same type as the diamonds in question from their victims.(32)

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(31) Letters of J.C. Urbanek, William Frensel, etc.

(32) Additional affidavits of survivors including victims resident abroad will be submitted as they are received.

PART III

INDUSTRIAL DIAMONDS ARE WITHIN THE TERMS OF THE NON-MONETARY GOLD DIRECTIVE

One of the procedural questions involved appears to be whether the industrial diamonds in question can be properly subsumed under the category "valuable personal property which represents loot seized or obtained under duress from political, racial or religious victims of Nazi Government...." (See Non-Monetary Gold Directive, Appendix I)

The evidence presented in this study shows: (1) that the diamonds in question must have been looted; (2) that those diamonds which were not directly looted were indirectly obtained by barter transactions of looted gem diamonds for industrials and through purchases abroad with foreign exchange obtained from the sale of looted gem diamonds; (3) industrial diamonds, to war and inflation conscious Europeans, especially Jews whose lives depended upon great mobility were, like gem diamonds, personal property. Industrial diamonds as other gems were purchased as a hedge against inflation and as a mobile source of concentrated wealth which could be used in an emergency.(32) (4) These diamonds were industrial only in a classificatory sense as regards the victims from whom they were seized.

(32) This was the practice not only of Jews but also it appears of Nazi officialdom. In 1944, there were reports of shipments of industrial diamonds to the German Embassy in Spain for the account of high German officials, against the dark days of Nazi defeat, Diamond Industry, 1944

They became industrial only when they were employed in tools and equipment. As industrials were used for their exchange value so many gem diamonds were used for industrial purposes, although they originated as valuable personal property. No distinction can legitimately be drawn between so-called industrial diamonds and so-called gem diamonds when in the possession of the merchants or individuals who held them.

Article 8, Part I of the Final Act of the Paris Conference on Reparation, and the Five-Power Agreement of 14 June 1946 which directed that all non-monetary gold found by the Allied armies in Germany be made available for rehabilitation and resettlement of Nazi victims was not intended to exclude from non-monetary gold, property such as the so-called "industrial diamonds" in question which were seized from victims, from their person, from their business stocks, or from the hiding places within their own homes. The object of the non-monetary gold provisions of the above mentioned agreements was to make available for the assistance of surviving victims that property of a valuable nature seized from victims. The Joint Chiefs of Staff Non-Monetary Gold Directive, issued pursuant to Article 8, Part I of the Final Act of the Paris Conference on Reparation and Five-Power Agreement was intended to carry out the object of these Agreements. Certainly, if a distinction is to be drawn between "valuable personal property" and "economic loot", hand tools, watch-making tools, work-shop tools, glass cutters, etc. which were turned over to the IRO as non-monetary gold pursuant to the JCOS Directive by appropriate military authorities, would more readily be viewed as economic loot than would industrial diamonds which represented in large measure concentrated personal wealth. Aside from any other factors, in accordance with this

interpretation it would appear that industrial diamonds should fall under the non-monetary gold category.

Is it to be held that because the diamonds in question, though they were valuable personal property of their legal owners from whom they were seized, are not to be used for the assistance of the surviving victims, merely because the end uses to which these diamonds would have been put by the Nazis were industrial? Do these diamonds therefore lose their attributes of valuable personal property?

Diamonds by their very nature no matter to what use they may ultimately be put, ornamental or industrial, cannot lose their characteristic of being valuable personal property. They differ fundamentally from such articles as machine tools, factories, trucks and so forth which are clearly "economic" in nature and the disposition of which are subject to other reparation agreements.

Are diamonds because they can be used industrially less valuable personal property than the pieces of silver and platinum which have a wide variety of industrial applications in the electrical and chemical industries, and which nevertheless have been included in the property heretofore transferred to the IRO?

To make available to Germany the 198,000 carats, either by gift or sale, is to ignore the clear legal obligations to the surviving victims, and to contradict the policy of the U.S. Government which has always taken the lead in the program for assistance to non-repatriable victims.

In view of the foregoing, the IRO respectfully submits that the approximately 200,000 carats of industrial diamonds should properly be turned over to the IRO as non-monetary gold within the terms of the JCOS Directive to be used for the rehabilitation and resettlement of non-repatriable victims of German action.

IRO/LEG/rep/lc

FINAL ACT OF THE PARIS CONFERENCE ON REPARATION, 21 DECEMBER 1945

PART I, Article 8

ALLOCATION OF A REPARATION SHARE TO NON-REPATRIABLE VICTIMS OF GERMAN ACTION

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

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

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

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

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

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

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

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

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

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

G. The Intergovernmental Committee on Refugees shall have power to carry out the purposes of the fund through appropriate public and private field organisations.

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

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

IRO/LEG/Rep/ld

FIVE POWER AGREEMENT OF 14 JUNE 1946

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

In recognition of special and urgent circumstances, the sum of $25,000,000 having been made available by Allied Governments as a priority on the proceeds of the liquidation of German assets in neutral countries, is hereby placed at the disposal of the Intergovernmental Committee on Refugees or its successor organisation for distribution to appropriate public and private field organisations as soon as they have submitted practicable programmes in accordance with this Agreement.

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

B. The sum of $2,500,000 amounting to ten per cent., arising out of the $25,000,000 priority on the proceeds of German assets in neutral countries, ten per cent, of the proceeds of the "non-monetary gold" and five per cent. of the "heirless funds" shall be administered by the Intergovernmental Committee on Refugees or its successor organisation through appropriate public and private organisations for the rehabilitation and resettlement of the relatively small numbers of non-Jewish victims of Nazi action who are in need of resettlement. Eligible non-Jewish victims of Nazi action are refugees from Germany and Austria who can demonstate that they were persecuted by the Nazis for religious, political, or racial reasons who do not desire to return, or German and Austrian nationals, similarly persecuted, who desire to emigrate.

C. The Director of the Intergovernmental Committee on Refugees or the Director General of the successor organisation shall under the mandate of this Agreement make funds available for programmes submitted by the appropriate field organisations referred to in Paragraphs A and B above as soon as he has satisfied himself that the programmes are consistent with the foregoing. Only in exceptional circumstances may the cost of resettlement programmes exceed a maximum of $1,000 per adult and $2,500 per child under twelve years of age. The action of the Intergovernmental Committee on Refugees or its successor organisation shall be guided by the intent of Article 8 and by this Agreement which is to place into operation as quickly as possible practicable programmes of rehabilitation and resettlement submitted by the appropriate field organisations.

D. In addition to the $25,000,000 sum the Intergovernmental Committee on Refugees or its successor organisation is hereby authorised to take title from the appropriate authorities to all "non-monetary gold" found by the Allies in Germany and to take such steps as may be needed to liquidate these assets as promptly as possible, due consideration being given to secure the highest possible realisable value. As these assets are liquidated, the funds shall be distributed in accordance with Paragraphs A and B above.

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

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

F. To ensure that all funds made available shall inure to the greatest possible benefit of the victims whom it is desired to assist, all funds shall be retained in the currency from which they arise and shall be transferred therefrom only upon the instructions of the organisation to which the Intergovernmental Committee on Refugees or its successor organisation has allocated the funds for expenditure.

G. The Director of the Intergovernmental Committee on Refugees shall carry out his responsibilities to the Five Governments in respect of this Agreement in accordance with the terms of the Letter of Instruction which is being transmitted to him by the French Government on behalf of the Governments concluding this Agreement.

IN WITNESS WHEREOF the undersigned have signed the present Agreement.

DONE in Paris, on the 14th of June, 1946 in the English and French languages, the two texts being equally authentic, in a single original, which shall be deposited in the Archives of the Government of the French Republic, certified copies being furnished by that Government to the signatories of this present Agreement.

Eli GINZBERG,
Delegate of the United States of America.

Joseph Vladimir KLVANA,
Delegate of Czechoslovakia.

Georges BIDAULT,
Delegate of France.

Milan BARTOS,
Delegate of Yugoslavia.

Douglas MACKILLOP,
Delegate of the United Kingdom of G.B. and Northern Ireland.

IRO/LEG/Rep/2a

COPY OF DIRECTIVE ISSUED TO CG.USFET AND CG.USFA ON DEFINITION OF NON-MONETARY GOLD PURSUANT TO ARTICLE 8 OF THE PARIS REPARATIONS AGREEMENT

—oOo—

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 Govt. 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, subject to following conditions:

A. That property cannot be restituted to Govt. pursuant to WARX 85965 November 1945 (SWNCC 204/2) and WARX 99226 March 1946 (SWNCC204/5), as amended and modified by Control Council action, because determination of individual ownership is impractical.

B. That property cannot be restituted to lawful owners under laws in force in place where presently found either because lawful owner has 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 transferred hereunder to be removed from Germany and Austria or to be sold therein if payment can be made outside Germany or Austria 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 Govt. in subscribing to Paris Agreement on reparations.

4. Expression "Valuable personal property" as used in para 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 para 1 subpara A and B of this directive, regard shall be had to extent of commingling with other property and difficulty and expense of determination of ownership in comparison with value of property. All property, as defined herein, will be considered as falling within the directive and will be made available to IGCR unless available evidence clearly is to contrary. You will establish such adm machinery as may be necessary to execute this directive promptly and effectively.

(Received in IGCR Washington office 20 November 1946
From J. H. Hildring, Assistant Secretary of State)

Berlin - April 30, 1949
OMGUS Public Information Office

United States Military Government officials commenting on the allegations made by the Federation of Belgian Diamond Exchanges that military government had refused to restitute enormous quantities of polished and industrial diamonds to Belgium pointed out today that the statement by the Federation that the Belgian authorities had established beyond doubt its right to practically the whole of these properties is a misrepresentation of the facts. The Belgians failed to establish identification which is required for the restitution of such properties, according to Mr. Orren R. Mc Junkins, Chief of the Reparations and Restitution Branch, Property Division, OMGUS.

"In an attempt to obtain these properties the Belgian representatives insisted that military government permit Belgian designated experts to inspect these properties, but this request was denied for obvious reasons. Military Government engaged an independent group of experts to determine whether or not the diamonds could be identified and its findings were that identification was impossible. As a result of this determination, no further consideration could be given to the Belgian claim for the diamonds. Had the Belgians been able to identify these diamonds it would have still been necessary for them to establish the fact that these diamonds were physically in Belgium at the beginning of the German occupation of that country."

As to the 50 thousand carats of polished diamonds alleged by the Belgians to have been seized by the Germans, Military Government officials state that they have no knowledge of the whereabouts of these properties and so far have not been provided with any information which might lead to their recovery. Military Government has worked out a plan for disposal of the industrial diamonds by sale for use in the German economy in small lots to prevent flooding the market and at such prices as are established for current imports. Sale of these properties has already started.

APPENDIX II

Table I

GERMAN CONSUMPTION, IMPORTS AND STOCKS OF INDUSTRIAL DIAMONDS

(Thousands of Carats)

Year	Diamond Imports	Diamond Consumption	Annual Additions To Stock	Cumulated Additions To Stock
1930	774.0	351.7	+ 422.3	422.3
1931	266.5	256.6	+ 9.9	432.2
1932	506.5	190.1	+ 316.4	748.6
1933	320.4	242.4	+ 78.0	826.6
1934	519.0	363.6	+ 155.4	982.0
1935	941.9	420.6	+ 521.3	1503.3
1936	1576.7	932.2	+ 644.4	2147.7
1937	1790.6	1479.3	+ 311.3	2459.0
1938	366.4	1729.3	- 1362.9	1096.1
1939	1764.2	1999.5	- 235.3	860.8

NOTES

Industrial Diamond Imports for the years 1930-1934 are taken from the official German Source: Sondernack - Der Aussenhandel Deutschlands

The statistics in the years from 1935 throughout the war period appear to be distorted either deliberately or through inclusion of other categories for the reported figures are in the magnitude of tens of thousands of kilograms - a fantastic total exceeding the total of all the diamonds ever produced in the last 50 years. Data from 1935 through 1939 were obtained by splicing the actual 1934 figure to the index of the sales of industrial diamonds by The Diamond Trading Corporation of London, the company which accounts for 98% of the sales of all diamonds. Since the United States of America and Germany were by far the largest users of industrial diamonds, accounting for over 2/3 of the purchase of these diamonds, the sales of Diamond Trading Corp. must therefore be a good index of the purchases of Germany as reflected in German Imports.

Diamond Consumption - The series on German diamond consumption was derived on the basis of use of industrial diamonds per ton of steel produced. As has been indicated the major uses of industrial diamonds are in grinding, cutting, boring, and drawing (through a die) very hard steel equipment. This figure is 23762 carats consumed per million tons of steel produced and fabricated. This figure represents less than 1/6 of average American wartime consumption. I t was used from 1930 through 1935. In 1936 the sharp increase in German military production and the consequent increase in the proportion of hard alloy steels to total steels led to an

APPENDIX II (Continued)

increase in the use factor, which was gradually stepped up to a rate of 67550 carats per million tons of steel -- the rates used for 1937, 1938 and 1939. This use factor is only 1/2 of the American wartime average rate. On the basis of comparative use, it is believed that the consumption figures are conservative. Thus the U.S.S.R. and the United Kingdom combined required 3,000,000 carats in 1942, a year in which their war production was far short of German war production in 1939.

Stocks - This figure is the difference between imports and consumption.

APPENDIX II

Table II

GERMAN STEEL PRODUCTION

Year	German Steel Production (million net tons)
1930	14.8
1931	10.8
1932	8.0
1933	10.2
1934	15.3
1935	17.7
1936	20.7
1937	21.9
1938	25.6
1939	29.6
1940	25.2
1941	25.6
1942	25.8
1943	25.5
1944	23.0

Source: Annual Statistical Reports, American Iron and Steel Institute

APPENDIX II

Table III

ANNUAL SALES OF DIAMOND TRADING CORPORATION

Industrial Diamonds

Year	Dollar Value ($000)	Index
1934	$ 1249.9	22.6
1935	4576.6	100.0
1936	6318.1	167.4
1937	6710.5	190.1
1938	1197.8	38.9
1939	5202.2	187.3
1940	5882.9	200.1
1941	8060.0	365.1

Source: Annual Corporate Report, Diamond Trading Corporation and also The Diamond Industry, ed. by S. H. Ball

Appendix II

Table IV

Swiss Exports of Precious Stones To Germany*

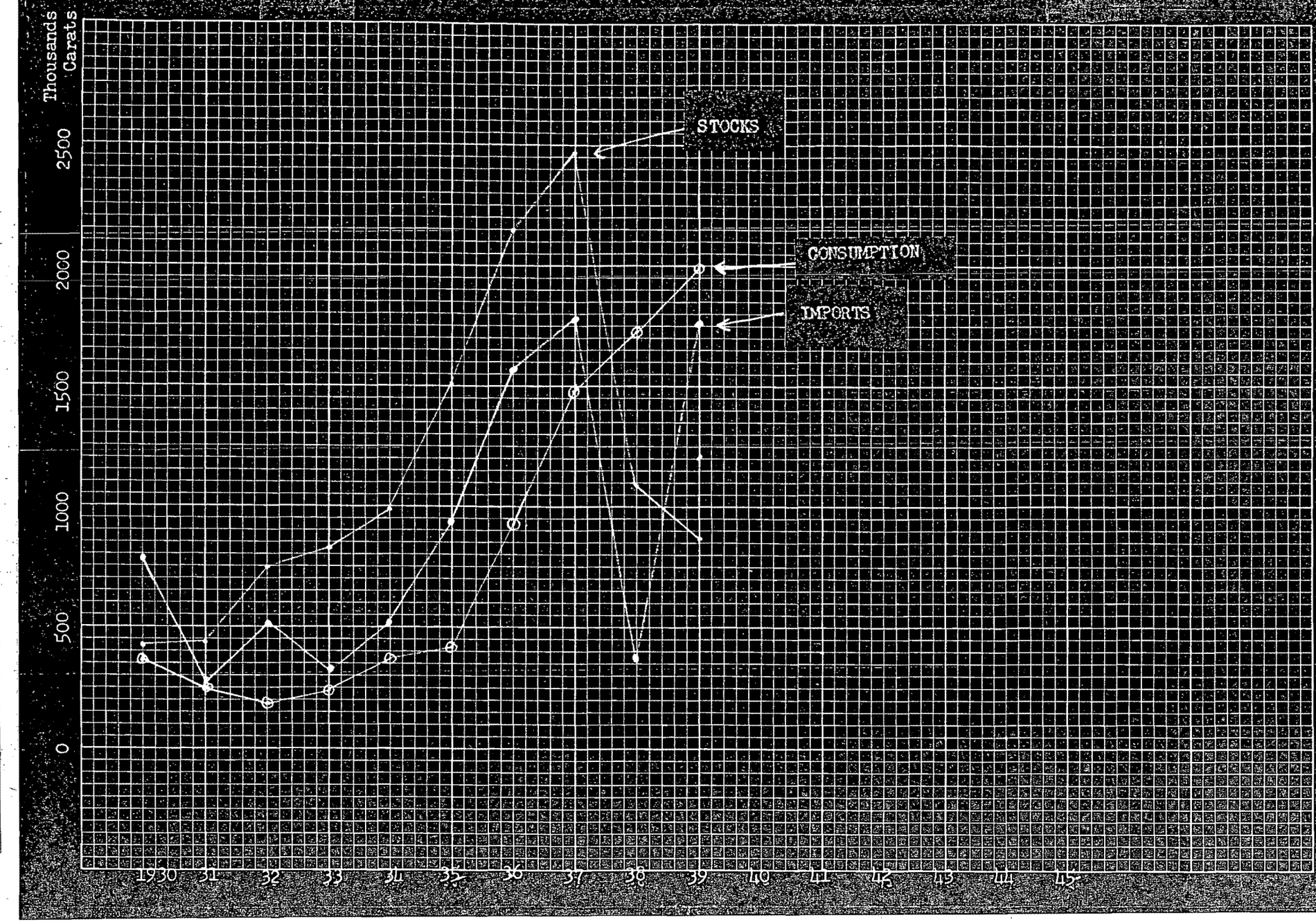
Year	Kilogram	Value (in francs)	Average Value Per Kilograms (in francs)
1939	136	113,588	835
1940	12	48,260	4,022
1941	2	6,766	3,383
1942	23	62,810	2,731
1943	19	65,264	3,435
1944	23	102,553	4,459
1945	1	2,260	2,260

* The category of precious stones is defined as "Precious stones of all kinds not sorted, garnets and rubies in rough for watch making." In 1943, a sub-category of "industrial diamonds" is added. However, no exports to Germany are listed.

Source: Statistique Annuelle du Commerce Exterieur de la Suisse

CHART I

GERMAN IMPORTS, CONSUMPTION AND STOCKS OF INDUSTRIAL DIAMONDS



nounced, they asked for a little longer for a further exchange of views. After a few days I received an intimation that I could bring about the application without hesitation, upon which I handed over the letter which I had previously withheld. The amount requested has been handed to me today and I have duly entered this sum in my special cashbook as a Credit.

I am, Your Excellency, always

Yours faithfully,

[initialled] K.

TRANSLATION OF DOCUMENT 3947-PS

Berlin, 31 March 1944.

Subject: Utilization of jewels and so forth, which were acquired by official agencies in favor of the Reich.

According to the oral confidential agreement between vice president Mr. Puhl and the chief of one of Berlin's public offices, the Reichsbank took over the selling of local and foreign currencies, gold and silver coins, precious metals, securities, jewels, watches, diamonds, and other precious objects. All incoming objects will be processed under the code name "MELMER".

The large number of precious objects acquired hereby have been turned over to the Municipal Pawn Shop, Div. III Main Office Berlin N 4, Elsaesser Str. 74, for the best possible utilization after checking the number of pieces and their weight, provided they have not been smelted. As it is evident from the enclosed copy of a letter from the Pawn Shop, dated 29.3.44., it refuses further acceptance of such items and declines to process items already in their possession, whose processing has not yet been completed.

We have been informed that the City Treasurer, to whom the Zentralstelle as a municipal office is subordinated, wants to use its personnel in the office for war damages.

The question of a uniform utilization of the precious objects is important not only because the Reichsbank should be given the opportunity to sell unprocessed jewels, etc., from the Melmer delivery the same way as it did before, and not only because its equivalent belongs to the Reich, but also due to the following reasons:

So far the Pawn Shop made the purchases according to the world-wide gross prices minus 10% for purchasing charges. In case the price obtained in the final disposition was a higher one, this surplus went to the benefit of the Reich. Through sales to

foreign countries, a considerable amount of foreign currency must have been acquired. A large number of goods ready for export are still in possession of the Pawn Shop. Among others, diamonds of 35,000carats and very small diamonds (roses) of a very high value.

The Reichsmarshall of the Greater German Reich, the deputy for the Four Year Plan, informed the German Reichsbank, in a letter of 19.3.44., a copy of which is enclosed, that considerable amounts of gold and silver objects, jewels, and so forth, at the Main Office of the Board of Trustees East should be delivered to the Reichsbank according to the order issued by Minister of the Reich, Funk and Graf Schwerin Krosigk. The utilization of these objects should be accomplished in the same way as the Melmer deliveries. The Reichsmarshall informed us also about the utilization of objects of the same kind, which have been acquired in the occupied Western territories. We do not know to which office these objects have been delivered and how they are utilized.

We received a further inquiry about the utilization of jewels a.s.f. from the Reichsbank in Kattowitz (compare with enclosed copy).

Besides the above-mentioned cases, where the Reichsbank is, or will be, indirectly participating in selling of jewels, there is yet to clear the question of utilization of jewels a.s.f. which have been acquired as war booty. As far as we know, the entire war booty consisting of jewels a.s.f. is in the safes of the Reichshauptkasse. Probably there are objects and items still fit for export which after smelting can give us gold and silver. The official in charge of it is Ministerialrat Dr. Maede, as attorney—in fact—from the Reich Ministry of Finance in Sigmeringen.

In our opinion it is absolutely essential that a uniformed utilization be established of goods acquired by official agencies. The simplest solution would be to separate the pawn institution, which has the necessary skilled personnel and the connections necessary for sale abroad from the Municipal authorities for this war job. Should this be impossible, another appropriate agency should be appointed for this work.

Considering the large amount of incoming foreign currency as a result of the sale of these objects in foreign countries and the considerable acquisition of gold and silver not fit for export from smelting, the immediate uniform settlement of this problem seems to be very advisable.

Hauptkasse
[signed] KROPP

TRANSLATION OF DOCUMENT 3948-PS

September 15, 1942

To the Municipal Pawn Brokerage
Div. III—Central Office
Berlin N 4, Elsaesser St. 74

Second Shipment

We submit to you the following valuables with the request for the best possible utilization:

	kg rough	*kg gross*
Item 1:		
247 rings of platinum and silver with stones	0,911.0	0,950
Item 2:		
154 gold watches	3,413.5	8,614
42 gold watch chains and watch pendants	0,685.5	
245 silver watch chains and watch pendants	4,047.5	
Item 3:		
207 earrings, with stones believed to be diamonds	0,337	2,694
1601 earrings of gold	1,425	
721 earrings of silver	0,759	
Item 4:		
Item 5:		
41 bracelets and wrist bands, said to be of gold with precious and semi-precious stones	0,512	5,650
9 bracelets and wrist bands	0,161	
13 brooches with stones said to be diamonds	0,085	
55 brooches, pins, and clips of gold	0,226	
99 gold pendants	0,379	
5 pendants with diamonds	0,013	
116 bracelets and wrist bands, silver	0,761	
Diverse brooches, pins, clips of silver	1,187	
Diverse pendants of silver	0,902	
Item 6:		
132 jewel rings with stones said to be diamonds	0,381	1,274
254 jewel rings with various stones	0,730	
Item 7:		
324 silver wrist watches	6,622	6,809
Item 8:		
784 silver pocket watches	54,420	55,435
Item 9:		
12 silver candelabras	26,950	28,295
170 silver goblets and containers		
99 silver boxes and cases		
127 silver spoons, forks, and knives		
18 silver money purses and pocketbooks		
43 diverse articles of silver		

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Item 10:

5	necklaces and collieres with stones said to be diamonds	0,038.5	
48	necklaces and collieres of gold	0,572.5	
5	necklaces and collieres with pearls, and 49 loose pearls	0,082.5	
317	necklaces and collieries of silver	1,778.5	
5	necklaces and collieres with garnets	0,085.0	
1	collar pin with stone said to be diamond	0,001.5	
13	collar pins of gold	0,019.5	
3	collar pins of silver	0,004.0	5,788
2	studs with stone said to be diamond	0,002.5	
23	studs of gold	0,092	
60	studs of silver	0,211	
*160	diverse dentures, partly of gold	0,973	
	Various parts of jewels and watch cases	1,809	
187	pearls		
4	stones said to be diamonds		
10	precious and semi-precious stones	kg. gross 0,071.0	
27	corals		

We should like itemized statements for the individual items and further request that the amount be transmitted by check as soon as possible to the "Precious Metal" ["Edelmetall"] account.

Deutsche Reichsbank
Hauptkasse
[Signature illegible]

[*This line is crossed out in original.]

TRANSLATION OF DOCUMENT 3949-PS

September 19, 1942.

Concerning: Conversion of notes, gold, silver, and jewelry in favor of the Reich Minister of Finance.

1—Partial statement of values received by our "Precious Metal" ["Edelmetall"]

1. Shipment received on August 26 of this year.
   1. Foreign notes and coins (compare encl. 1) . . . RM 123,827.65
   2. 32 gold ingots (cf. encl. 2) 446,234.93
   3. 116 silver ingots (cf. encl. 3) 38,229.40
   4. Diverse jewelry . . . . . } not yet examined and evaluated
   5. Diverse strings of pearls, pearl jewelry, and loose pearls . . . . . } not yet examined and evaluated
   6. Diverse gold coins (cf. encl. 4) 77,692.06
2. Shipment received September 4 of this year. The examination of the nine locked trunks received revealed the five objects indicated,

Appendix 2

Provisional balance sheet of the Action "Reinhardt" till, Lublin, for 15 December 1943

The following money and stocks were brought to the German Reich during the course of the Action "Reinhardt", Lublin, during the period 1 April 1942 to 15 December 1943 inclusive:

Cash	*Income*
Cash in hand	RM 17,470,796.66
To the Reichsbank Berlin, Reichsmark notes and coins	3,979,523.50
To the Reichsbank Berlin, Zloty notes and coins	5,000,461.00
To the SS economist, Cracow	50,416,181.37
Loans for SS industrial concerns	8,218,878.35
Income from title 21/E	656,062.40
Total	85,741,903.28
	Expenditure
Personal taxes, title 21/7a	RM 96,207.28
Expenditure in goods (of which about 40% for J-Transports title 21/7b)	11,765,552.62
Counterfeit money (Zloty notes)	28,062.64
Total	11,889,822.54

Totals		
Income	RM 85,741,903.28	
Expenditure		RM 11,889,822.54
Net income		73,852,080.74
	RM 85,741,903.28	RM 85,741,903.28

Precious Metals:			
236 Gold bars	2,909.68 Kg@RM	2,800.00	RM 8,147,104.00
2134 Silver bars	18,733.69	40.00	749,347.60
Platinum	15.44	5,000.00	77,200.00
			RM 8,973,651.60

Foreign Currency in Notes:			
USA Dollars	1,081,521.40	@ RM 2.50	RM 2,703,803.50
English Pounds	15,646.11	9.30	145,512.80
Palestine Pounds	4,922.50	9.30	45,779.25
Canadian Dollars	8,966.25	2.50	22,415.62
Roubles	2,454,278.35	0.10	245,427.84
French Francs	1,468,486.35	0.05	73,424.31
Swiss Francs	119,302.33	5.80	691,953.51
Lire	6,465.08	0.10	646.50
Protectorate Croons	1,745,601.50	0.10	174,560.15
Turkish Pounds	39.50	1.90	75.05
Belgas	12,449.25	0.40	4,979.70
Lei	55,975.54	0.02	1,119.51
South African Pounds	119.50	4.40	525.80
Dutch Gulden	133,986.95	1.33	178,202.64
Levas	9,995,421.00	0.01	59,954.21
Australian Pounds	55.00	2.50	137.50
Diners	435,641.00	0.05	21,782.05
Karbowanetz	164,169.00	0.10	16,416.90
Pengoes	28,392.50	0.60	17,035.50
Slov. Croons	103,538.35	0.10	10,353.84

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Drachmas	4,875,419.70	0.02	97,508.29
Swedish Croons	4,377.00	0.60	2,626.20
Norwegian Croons	775.00	0.60	465.00
Argentinian Pesos	977.55	1.00	977.55
Pesetas	1,471.00	2.40	3,530.40
Finnish Marks	1,140.00	0.05	57.00
Danish Croons	1,270.00	0.52	660.40
Brazilian Milreis	63.00	0.09	5.67
Egyptian Pounds	20/00/00	4.40	88.00
Litas	175.00	0.10	17.50
Yen (Japanese)	4.00	0.50	2.00
Lats	20.00	0.10	2.00
Paraguayan Pesos	12.00	0.60	7.20
Cuban Pesos	57.00	0.60	28.20
Uruguayan Pesos	1.00	0.60	0.60
Bolivian Pesos	4.50	0.60	2.70
Mexican Pesos	3.00	0.50	1.50
Albanian Francs	195.44	0.10	19.54
Rhodesian Pounds	8/00/00	4.00	32.00
New Zealand Pounds	0/10/00	4.00	2.00
Algerian Francs	30.00	0.10	3.00
Lux. Francs	40.00	0.50	20.00
Javan Gulden	10.00	1.30	13.00
Danzig Gulden	1,038.00	1.00	1,038.00
Columbian Pesos	1.00	0.60	0.60
Mozambique Escudos	1.00	0.60	0.60
Manchukuo Cents	15.00	0.50	7.50
Chinese Dollars	1.00	1.50	1.50
		Total	4,521,224.13

Currency in gold coins:

USA Dollars	249,771.50	@ RM 4.20	RM 1,049,040.30
English Pounds	610/00/00	20.40	12,444.00
Roubles	189,053.00	2.15	425,813.95
Austrian Crowns	73,230.00	0.85	62,245.00
French Francs	38,870.00	1.62	62,969.40
Reichmarks	23,485.00	1.00	23,485.00
Portguese Reis	20,000.00	200 Esc 1.00	200.00
Swiss Francs	6,970.00	16.50 (f.20 Frs)	23,001.00
Ducats	6,614.00	10.00	66,140.00
Lire	3,740.00	0.50	1,870.00
Austrian Shillings	2,925.00	2.3	1,950.00
Turkish Pounds	417/75/00	3.50	1,462.12
Belgas	1,740.00	0.50	870.00
Levas	30.00	0.50	15.00
Lei	1,177.50	0.50	588.75
South African Pounds	4/00/00	20.40	81.60
Dutch Gulden	905.00	17.00 (f.10 Fl)	1,538.50
Australian Pounds	7/00/00	20.40	142.80
Dinars	41.00	0.50	20.50
Swedish Crowns	30.00	11.20 (f.10 Kr)	33.60
Norwegian Crowns	55.00	11.20 (f.10 Kr)	61.60
Pesetas	50.00	1.50	75.00

Finnish Marks	80.00	1.00	80.00
Zloty	2,060.00	0.50	1,030.00
Danish Crowns	360.00	11.20 (f.10 Kr)	403.20
Czechoslovakian Ducats	17.00	10.00	170.00
Yen	2.00	0.50	1.00
Cuban Pesos	10.00	4.20	42.00
Mexican Pesos	111.50	4.20	468.00
Albanian Francs	20.00	0.50	10.00
Jugoslavian Ducats	1.00	5.00	5.00
Tunisian Francs	180.00	1.62	291.60
Peruvian Libre	1.00	1.00	1.00
Chilean Dollars	1.00	4.20	4.20
		Total	1,736,554.12

	Jewelry and other valuables:	Average in RM	RM
15,883	Rings, gold, with brilliants and diamonds	1,500.00	23,824,500.00
9,019	Ladies' gold wrist watches	250.00	2,254,750.00
3,681	Gentlemen's gold pocket watches	500.00	1,840,400.00
353	Bracelets with brilliants and diamonds	3,500.00	1,232,000.00
1,716	Gold earrings with brill. and diam.	250.00	429,000.00
2,497	Gold brooches with brill. and diam.	2,000.00	4,994,000.00
130	Single large brilliants	1,000.00	130,000.00
2,511.37	Carat Individual brilliants	100.00	251,137.00
13,458.62	Carat Individual diamonds	50.00	672,931.00
291	Tie pins with brilliants	100.00	29,100.00
660	Gentlemen's gold wrist-watches	100.00	66,000.00
458	Ladies' fob watches with brilliants.	500.00	229,000.00
273	Ladies' watches of platinum & brill.	1,200.00	327,600.00
349	Ladies' gold fob watches	250.00	87,250.00
362	Ladies' gold watches with brill. & diam.	600.00	317,200.00
27	Armbands with brill. & diam.	250.00	6,750.00
40	Gold brooches	350.00	14,000.00
18	Cufflinks with brilliants	160.00	2,700.00
114.20	Kg. Pearls	.....	6,000,000.00
63	Plat. & Brill. watch cases	1,000.00	63,000.00
4	Ladies' platinum watches	300.00	1,200.00
3	Gentleman's pocket watches with brill.	600.00	3,000.00
4	Necklaces of brilliants and diamonds	1,500.00	6,000.00
8	Ladies' golden ring-watches	150.00	1,200.00
4	Ladies' fob watches with pearls	200.00	800.00
18	Gold fountain pens	20.00	360.00
5	Gold revolving pencils	15.00	75.00
1	Gold cigarette case	400.00	400.00
60,125	Watches of various kinds	10.00	601,250.00
7.80	Kg. Coral	.....	600.00
3	Golden compacts	50.00	150.00
103,614	Watches to be repaired	2.00	207,228.00
29,391	Spectacles	3.00	88,173.00

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350	Shaving equipment	2.00	700.00
800	Pocket knives	1.00	200.00
3,240	Money purses	1.50	4,860.00
1,315	Briefcases	2.50	3,287.50
1,300	Scissors	0.50	750.00
230	Flashlights	0.50	115.00
6,943	Alarm clocks, to be repaired	1.00	6,943.00
2,343	Alarm clocks, in order	4.00	9,372.00
627	Sunglasses	0.50	313.50
41	Silver cigarette cases	15.00	615.00
230	Clinical thermometers	3.00	690.00
		Total	43,662,150.00

Textiles:

1901 Wagons of clothing, underclothing, bed feathers and rags to an average value of	RM	26,000,000.00
Camp articles to an average value of		20,000,000.00
Total		46,000,000.00

Total Compilation

Currency delivered, Zlotys and RM-Notes	RM	73,852,080.74
Precious metals		8,973,651.60
Foreign currency in notes		4,521,224.13
Foreign currency in gold coins		1,736,554.12
Jewelry and other valuables		43,662,450.00
Textiles		46,000,000.00
Total		178,745,960.59

[signed] Rzepa
SS Oberscharfuehrer and Chief of Cash Office

[signed] Wippern
SS Sturmbannfuehrer and Chief of Administration
[sgd] Globocnik

[Rubber Stamp:] Personal Staff Reichsfuehrer SS, Ref. No. .....
Secret/115
[initialled] H. H. [Himmler]

Measures for Pacifying Foreign Nationals During Transfer of Populations

Z-Villages 1. Poles who are fit for work have already been resettled during previous expulsions on so-called z-farms within the colonization area, with an increase of their former property. These z-farms form the nucleus of the z-village, where the German settlers and Polish workers are lodged. Not only do these Polish workers receive a guaranteed wage and an employment book, but their food supply is also cared for through the SWG.

ISIDORE LIPSCHUTZ
630 FIFTH AVENUE
NEW YORK, N. Y.

State of New York) SS.
County of New York)

Isidore Lipschutz, of full age, being duly sworn according to law upon his oath deposes and says:

My name is Isidore Lipschutz. I am a citizen of the United States of America. I am a diamond dealer, and a member of the firm Lipschutz & Gutwirth, 630 Fifth Avenue, New York, New York. I have been in the diamond business for 40 years in Antwerp, Belgium, and New York City.

Since 1927, until the outbreak of the war, I was President of the Belgian Diamond Industry Syndicate (employers' organization of about 1500 members).

I was also President of the International Commission of the Diamond Industry, and President of the International Federation of the Diamond Organizations. In that capacity I had dealings with the representatives of the diamond industry of all foreign countries, and I acquired complete knowledge of the various aspects, situations and developments in the diamond industry everywhere.

To the best of my knowledge, industrial diamonds invariably constitute a substantial portion of the stocks of hundreds of dealers in rough diamonds. Dealers in rough and industrial diamonds in European countries, prior to and until the German invasion of those countries, were, with hardly any exceptions, of the Jewish faith. They operated from small offices, from their homes, or in the four Diamond Clubs of which they were members. They carried their diamonds in small wallets, and presented them for inspection to the prospective buyers, local and foreign, who visited the diamond clubs. It is therefore my belief that a large part of the industrial and other diamonds confiscated by the Nazis from persecutees were taken primarily from small Jewish dealers who carried them with their other personal belongings as they attempted to flee from the invaders.

Concerning the diamond industry in Germany, there were no actual manufacturers in Germany. The German owners of diamond factories were contractors who did not buy the raw diamonds themselves, but worked exclusively on a contract basis for manufacturers residing principally in Belgium, Holland and France.

The prevailing practice among those in the diamond trade of continental Europe who consigned rough stones to a cutter in Germany on a contract basis was to supply the cutter with the boart required to cut the stones in question.

Stocks of boart held by German diamond cutters and polishers were therefore not owned by the Germans, but by the owners of the gem stones being cut and polished by the Germans.

Consequently, any stocks of boart in the hands of German diamond contractors, polishers etc.. at the close of World War II are not the lawful property of the Germans.

It is also my belief that the bulk of the industrial diamonds in the invaded countries of Western Europe were held by individual diamond dealers, and that the majority of the confiscations were made from Jewish individuals, and not from factories or other industrial establishments.

Sworn to and subscribed
before me this 30
day of June 1949

Frieda Gilbert
Notary seal and signature

FRIEDA GILBERT
NOTARY PUBLIC State of New York
Qualified in New York County
Cert. filed in New York County Reg. No. 242-G-6
My commission expires March 30, 1950

ISIDORE LIPSCHUTZ

Witnesses:

Isaac Mark

Josepline Kleinman

Charles Reinhold, of full age, being duly sworn according to law upon his oath deposes and says:

My name is Charles Reinhold.

I reside in New York City.

I am a member of the Jewish faith.

I was formerly a resident of Antwerp, Belgium, with my family, which consisted of my father, mother, brother and sister.

My father, Abe Reinhold, was not able to flee Belgium with the remainder of my family at the time of the German invasion. He remained in Belgium for some time after the invasion but was eventually deported and has not been heard from since that time. My father's personal property included a sizable quantity of diamonds, both industrial and gem types. All of this property was confiscated by the Germans. None of these diamonds has been traced since that time and no restitution has been made to myself or members of my family.

State of N.Y.
County of N.Y.

Sworn and subscribed before me this 27 day of June 1949.

LESTER QUINLAN
NOTARY PUBLIC, STATE OF NEW YORK
Qualified in Queens County
No. 41-3183750
Filed with N.Y. Co. Clerk & Reg.
Queens Co. Reg.
Commission expires March 30, 1951

Notary Public

Witnesses:

Charles Reinhold, of full age, being duly sworn according to law upon his oath deposes and says:

My name is Charles Reinhold and I reside at 345 West 75th Street, New York City. I am a citizen of the United States of America.

I am a member of the Jewish faith. I was a resident of Antwerp, Belgium, prior to and at the time of the German invasion of that country during World War II. I fled Belgium in order to avoid being thrown into a concentration camp and to avoid confiscation of my property by the Nazis. In the course of my flight through occupied France, all of my personal property, including industrial and gem diamonds, was inspected by the German invaders. Only a part of this property was returned to me after inspection. The property returned to me by the Germans did not include the diamonds and many other articles of value which had been part of my possessions, nor has any restitution of such property been made since that time.

Charles Reinhold

Sworn to and subscribed
before me this 25 day of
June 1949.

Notary public of New Jersey
Commission expires May 14/1951

Witnesses:

2

Abschrift von Abschrift

Der Militärbefehlshaber
Belgien und Nordfrankreich
Militärverwaltungschef
Gruppe: Wi I/2

Brüssel, den 7.Mai 1942

An den
Leiter des Devisenschutzkommandos Belgien
rue de la Loi 31
B r ü s s e l

Betr. Verwertung von in Strafverfahren zugunsten der Militärverwaltung rechtskräftig eingezogenen Diamanten; dortiges Schreiben vom 29.4.42 - Az. O 1729 - A 3.

Es wird gebeten, die Verwertung der Diamanten, die durch die Kriegsgerichte aufgrund der Devisenverordnung oder aufgrund der Beschlagnahmeverordnung rechtskräftig eingezogen sind, wie folgt vorzunehmen:

1. Alle Rohdiamanten sind Herrn U r b a n e c k als Beauftragtem der Reichsstelle für technische Erzeugnisse / Berlin zum Kauf anzubieten und - soweit sie zur Verwendung als Industriediamanten geeignet sind - an die Reichsstelle zu verkaufen. Rohdiamanten, welche die Reichsstelle nicht ankaufen sollte, sind an das Diamantbüro Antwerpen zu verkaufen.
2. Geschliffene Diamanten sind nach Abschätzung durch 2 Sachverständige an das Diamantbüro Antwerpen (nicht Diamantkontrollstelle) zu verkaufen, das sich zum Ankauf bereit erklärt hat.

Der Verkauf soll in beiden Fällen unter Zugrundelegung der Preise vom 10.Mai 1940 erfolgen, weil die an die Reichsstelle abgegebenen Diamanten unmittelbar der deutschen Rüstungswirtschaft zugeführt werden und die an das Diamantbüro verkauften Diamanten zum Eintausch gegen neue Rohware Verwendung finden und dadurch mittelbar ebenfalls für Zwecke der deutschen Rüstungswirtschaft eingesetzt werden sollen.

Be

D2

Es wird gebeten, den Treuhänder F r e n s e l von dort aus mit entsprechenden Weisungen zu versehen.

Für den Militärbefehlshaber
in Belgien und Nordfrankreich
Der Militärverwaltungschef

Im Auftrag

ges. Unterschrift

K.V. /Abt. Chef

FORM APC-1A
September 1947

Form approved
Budget Bureau No. 43-R257

:DO NOT WRITE IN THIS SPACE:
:
:Claim No. _____:
:V. O. No. _____:
:Account No. _____:
:_____:

UNITED STATES OF AMERICA

DEPARTMENT OF JUSTICE

OFFICE OF ALIEN PROPERTY

NOTICE OF CLAIM FOR RETURN OF PROPERTY

NOTE.—All answers to questions on this form (except names and addresses) must be in English. Amounts of money must be stated in dollars. Copies of documents must be accompanied by English translations. This notice is repeated below in French and in German.

AVIS: Toutes les reponses aux questions ci-dessous doivent etre faites en anglais, sauf en ce qui concerne les noms et adresses. Le montant des sommes doit etre indique en dollars (Etats-Unis). Une traduction en anglais doit etre jointe a chaque document.

ZUR KENNTNISNAHME: Alle Antworten auf die Fragen auf diesem Formular (mit Ausnahme von Namen und Adressen) mussen in englischer Sprache gegeben werden. Geldetrage mussen in Dollars (Amerikanische Wahrung) angefuhrt werden. Falls Abschriften von Schriftstucken unterbreitet werden, mussen Ubersetzungen in englischer Sprache beigefugt werden.

Please read the accompanying explanation and instructions before filling out the form

1. (a) Claimant's name _____

   (b) Address _____

   _____

   (c) Has claimant filed any other form claiming the same property? Yes ____ No ____

   If yes, give date on which claim was filed, and claim number (if known) _____

   _____

2. (a) Claimant's agent (if any) _____

   (b) Agent's address _____

   (c) Is agent authorized to receive payment of money or delivery of property, if returned? Yes ____ No ____. If yes, an original power of attorney must be attached.

3. Fees for prosecuting this claim _____

4. Value of property claimed _____

5. Payments for material or services supplied, or patents licensed, to or for the United States Government

   _____

6. Vesting order by which the Alien Property Custodian or Attorney General acquired the property (if known) No. _____.

7. Identification of property claimed _____

   _____

   _____

337878

CLAIMANT'S COPY

8. Are claimant's rights in the property subject to any condition or encumbrance? Yes ____ No ____ . (If yes, explain in a supplement)

9. Characterization of claimant.--Answer this item by filling out schedule 9A or 9B. If the claim is filed by an individual, fill out schedule 9A, describing him. If the claim is filed by a group of individuals (such as co-owners or partners), fill out a separate schedule 9A for each member of the group. If the claimant is a corporation or association, fill out schedule 9B.

10. Owner of property on vesting date.--
(a) Give the vesting date _____
(This means the date when the Alien Property Custodian or the Attorney General took over the property which you are now claiming. If you do not know that date, use the approximate date on which your property was taken, followed by the word "approximately." If you do not know even the approximate date, write "December 7, 1941," and use this as the vesting date in answering questions in this item and in item 11.)

(b) Check the one of the following statements which applies to your claim:

_____(1) The claimant was the owner of the property on the vesting date.

_____(2) The claimant is the legal representative or successor of an individual who owned the property on the vesting date.

_____(3) The claimant is the legal representative or successor of a corporation which owned the property on the vesting date.

(If you checked number (1) above, do not use schedules 10A or 10B, but go directly to item 11. If you checked number (2) above, fill out schedule 10A. If you checked number (3) above, fill out schedule 10B.)

11. Chain of title to property.--Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date _____

(b) By whom transferred _____

(c) To whom transferred _____

(d) Nature and terms of transfer _____

_____

(e) Consideration actually paid _____; to be paid _____

(f) If officially recorded or registered, give citation _____

_____

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

12. Other relevant information.--If there are any other facts which you deem relevant, write them on a separate sheet of paper under the heading "Supplement to item 12." You may also attach copies of any documents not previously referred to, and mark them in the same way.

13. Affidavit.--The undersigned makes the following declaration under the penalties of perjury and false swearing:

 File No.: _____

(a) Check the one of the following statements which applies, and strike out the others:

_____(1) I am the claimant named in item 1.

_____(2) I am the claimant's agent, authorized by the attached power of attorney.

_____(3) I am an officer of the claimant corporation, holding the position of _____.

(b) The facts set forth in the foregoing form and in all attached supplements and schedules are true, and all attached documents are true copies of the originals, to the best of my knowledge and belief.

(c) I have no knowledge of any fact called for by the foregoing form, schedules, and instructions which is not fully set forth.

(d) To the best of my knowledge and belief, the property claimed was not at any time after September 1, 1939, held or used pursuant to any arrangement to conceal any interest of an enemy of the United States.

Signature _____

Name of signer _____
(Please print or typewrite)

14. Notarization.—The foregoing declaration was subscribed and sworn to (or affirmed) before me this

_____day of _____, 19___

_____
(Official title)

CLAIMANT'S COPY

337880

Form APC-1A--Schedule 9A

SCHEDULE 9A

(Supplementing Form APC-1A, Item 9)

CHARACTERIZATION OF INDIVIDUAL CLAIMANT

(a) Name _____

(b) Date of birth _____
(Day) (Month) (Year)

(c) Place of birth _____
(City) (State, Province, etc.) (Country)

(d) If claimant has been outside the United States (including its Territories and possessions) at any time since December 7, 1941, give the name of each country in which he was present, and the principal address at which he stayed in that country, as follows:

Country _____ from _____ to _____
(Day) (Month) (Year) (Day) (Month) (Year)

Address _____

Country _____ from _____ to _____
(Day) (Month) (Year) (Day) (Month) (Year)

Address _____

(If claimant has been present in enemy or enemy occupied territory since December 7, 1941, explain fully the reasons for such presence).

(If more space is needed, use a supplement)

(e) Has the claimant transacted any business since December 7, 1941, personally or by agent, in Germany, Japan, Hungary, Rumania, or Bulgaria? Yes ____ No ____

(If yes, explain fully in a supplement)

If a citizen of Italy, set forth in the supplement whether any such transactions occurred after September 8, 1943, and describe them fully.

If the claimant has ever been a citizen of Germany, Japan, Hungary, Rumania, or Bulgaria, answer also the following question (other persons do not answer):

Has the claimant transacted any business since December 7, 1941, personally or by agent, in territory occupied by any of these nations? Yes ____ No ____

(If yes, explain fully in a supplement)

(f) Claimant's present citizenship (Name of country) _____
(If claimant has no citizenship, write "stateless")

Explain below how your citizenship was acquired -- by birth, marriage, naturalization, etc., and give the date. Naturalized citizens should give the number of their naturalization papers. Stateless persons should cite the official act by which they were deprived of citizenship, and supply a copy if possible.

_____

_____

If the date given above is after December 7, 1941, explain below how your prior citizenship status was acquired:

_____

_____

CLAIMANT'S COPY

337381

 File No.: _____

(g) Do you claim to be affected by the provisions relating to enemy oppression? (See subdivisions (C) and (D) of section 32(a)(2) of the Trading with the Enemy Act.) Yes ____ No ____

(If yes, explain fully in a supplement and state precisely when, where, and how you were deprived of liberty, property or rights of citizenship. Give the citation of the laws, decrees, or regulations involved and supply copies of any relevant official document in which your name appears, or explain why you cannot obtain them.)

Form APC-1A--Schedule 9B
September 1947

SCHEDULE 9B

(Supplementing Form APC-1A, Item 9)

CHARACTERIZATION OF CORPORATE CLAIMANT

In the questions on this Schedule, the word "corporation" is used for brevity to include every type of corporation, association, company, society, etc., but does not include partnerships.

(a) Name of corporation _____

(b) State or country under whose laws corporation was organized _____

_____

NOTE.—If the corporation was organized under the laws of the United States, or of any State, Territory, or possession thereof, do not fill out the rest of this schedule.

(c) Type of organization _____
(Give the correct legal name, such as "business corporation" or "voluntary association." The name may be given in a foreign language, if followed by an approximate English translation; for example, "Societé anonyme—corporation.")

(d) Address of principal office outside the United States (if any) _____

_____

(e) Address of principal office in the United States (if any) _____

_____

(f) Type of business _____
(Describe in general terms; for example, "chemical manufacturing," or "transatlantic shipping.")

(g) Control.
(1) Has a majority of any class of shares in the corporation been owned at any time since March 1, 1938, by enemies of the United States? Yes _____ No _____.
(2) Are there any other circumstances from which it might appear that the corporation has been controlled at any time since March 1, 1938, by enemies of the United States? Yes _____ No _____. If your answer is yes, state the circumstances fully in a supplement.
(In answering this question, consider a corporation to be "controlled" by any persons who possess, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting securities, by contract, or otherwise. "Enemies," in this context, means the governments, citizens, residents, corporations, and associations of Germany, Japan, Hungary, Rumania, or Bulgaria.)

(h) Officers and directors of corporation.—List below every person who is now an officer or director of the corporation, or who has been an officer or director at any time since March 1, 1938:

Name	Address	Citizenship	Office Held (with dates from and to which)

CLAIMANT'S COPY

337883

 File No.:

(i) Principal shareholders.—If the corporation does not issue shares of stock, do not fill out the table below. Instead, explain on a supplement by what means the corporation is owned and controlled.

If the corporation does issue shares of stock, fill out the columns below as follows:

Column 1.—Enter the name of each person who holds more than 10 percent of the shares of stock of any class. Also list any other person who has held that number of shares at any time since March 1, 1938.

Column 2.—Enter the shareholder's last known address.

Column 3.—If the shareholder is an individual, name the country of which he is a citizen. If a corporation, name the country under whose laws the corporation was organized.

Column 4.—If the corporation issues only one kind of shares, you may leave this column blank. If it issues more than one class, give the class of shares held by the person named, and explain in a supplement what are the different rights of the various classes.

Column 5.—Give the largest number of shares which the holder owned at any one time.

Column 6.—Give the percent of the class of shares which the holder owned, when his holdings were largest.

Column 7.—If the person named has ceased to be a shareholder, give the last date on which he was a shareholder.

Name (1)	Address (2)	Citizenship (3)	Class of Shares (4)	Largest Number Held (5)	Percentage of Class (6)	Last Date (7)

337884

 File No.:_____

Form APC-1A --Schedule 10A

SCHEDULE 10A

(Supplementing Form APC-1A, Item 10)

CHARACTERIZATION OF INDIVIDUAL FORMER OWNER

Do not use this schedule unless you checked statement number (2) under item 10, part (b), on Form APC-1A. If you did, use this schedule to describe the individual who owned the property on the vesting date (called the "former owner").

(a) Name _____

(b) Date of birth _____
(Day) (Month) (Year)

(c) Place of birth _____
(City) (State, Province, etc.) (Country)

(d) If former owner was outside the United States (including its Territories and possessions) at any time since December 7, 1941, give the name of each country in which he was present, and the principal address at which he stayed in that country, as follows:

Country _____ from _____ to _____
(Day) (Month) (Year) (Day) (Month) (Year)
Address _____

Country _____ from _____ to _____
(Day) (Month) (Year) (Day) (Month) (Year)
Address _____

(If former owner has been present in enemy or enemy occupied territory since December 7, 1941, explain fully the reasons for such presence.)

(If more space is needed, use a supplement)

(e) Did former owner transact any business after December 7, 1941, personally or by agent, in Germany, Japan, Hungary, Rumania, or Bulgaria? Yes ____ No ____

(If yes, explain fully in a supplement)

If former owner is a citizen of Italy, set forth in the supplement whether any such transactions occurred after September 8, 1943, and describe them fully.

If the former owner was ever a citizen of Germany, Japan, Hungary, Rumania, or Bulgaria, answer also the following question (other persons do not answer):

Did the former owner transact any business after December 7, 1941, personally or by agent, in territory occupied by any of these nations? Yes ____ No ____

(If yes, explain fully in a supplement)

(f) Citizenship (name of country) _____
(If owner had no citizenship, write "stateless")

Explain below how former owner's citizenship was acquired--by birth, marriage, naturalization, etc., and give the date of acquisition. If former owner was a naturalized citizen, give the number of his naturalization papers. If he was stateless, cite the official act by which he was deprived of citizenship and supply a copy of it, if possible.

_____

_____

If the date given above is after December 7, 1941, explain below how former owner's preceding citizenship status was acquired _____

_____

_____

337885

CLAIMANT'S COPY

 File No.:_____

(g) What happened to former owner (death, insanity, etc.)? Give date.

_____

_____

(h) By what right does claimant represent or succeed to the former owner?_____

_____

_____

(State in what capacity the claimant claims; for example, as executor, guardian or devisee. If he has been designated by order of court, give the name of the court, and date of order. If designated in some other way, explain how.)

(i) Attach a copy of the order of court, or other document on which claimant's title is based, to each copy of the schedule. The copy attached to the "original" of the schedule should be certified by the court or other competent official.

(j) Do you claim the former owner to be affected by the provisions relating to enemy oppression? (See subdivisions (C) and (D) of section 32(a)(2) of the Trading with the Enemy Act.) Yes ____ No ____

(If yes, explain fully in a supplement and state precisely when, where, and how the former owner was deprived of life, liberty, property or rights of citizenship. Give the citation of the laws, decrees, or regulations involved. Supply copies of any relevant official document in which the name of the former owner appears, or explain why you cannot obtain them.)

 File No.: _____

Form APC-1A--Schedule 10B
September 1947

SCHEDULE 10B

(Supplementing Form APC-1A, Item 10)

CHARACTERIZATION OF CORPORATE FORMER OWNER

Do not use this schedule unless you checked statement number (3) under item 10, part (b) on Form APC-1A. If you did, use this schedule to describe the corporation which owned the property on the vesting date. In the questions on this schedule, the word "corporation" is used for brevity to include every type of corporation, association, company, society, etc., but does not include partnerships.

(a) Name of corporation _____

(b) State or country under which organized _____

NOTE.--If the corporation was organized under the laws of the United States, or of any State, Territory or possession thereof, do not answer lines (c) to (i), but go directly to line (j).

(c) Type of organization _____
(Give the correct legal name, such as "business corporation" or "voluntary association." The name may be given in a foreign language, if followed by an approximate English translation; for example, "Societe anonyme--corporation.")

(d) Address of principal office outside the United States (if any) _____

_____

(e) Address of principal office in the United States (if any) _____

_____

(f) Type of business _____
(Describe in general terms; for example, "chemical manufacturing," or "transatlantic shipping.")

(g) Control.
(1) Has a majority of any class of shares in the corporation been owned at any time since March 1, 1938, by enemies of the United States? Yes ____ No ____.
(2) Are there any other circumstances from which it might appear that the corporation has been controlled at any time since March 1, 1938, by enemies of the United States? Yes ____ No ____. If your answer is yes, state the circumstances fully in a supplement.
(In answering this question, consider a corporation to be "controlled" by any persons who possess, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting securities, by contract, or otherwise. "Enemies," in this context, means the governments, citizens, residents, corporations, and associations of Germany, Japan, Hungary, Rumania, or Bulgaria.)

(h) Officers and directors of corporation.--List below every person who has been an officer or director at any time since March 1, 1938:

Name	Address	Citizenship	Office Held (with dates from and to which)

CLAIMANT'S COPY 337387

File No.: _____

(i) Principal shareholders.--If the corporation did not issue shares of stock, do not fill out the table below. Instead, explain on a supplement by what means the corporation was owned and controlled.

If the corporation did issue shares of stock, fill out the columns below as follows:

Column 1.--Enter the name of each person who held more than 10 percent of the shares of stock of any class at any time since March 1, 1938.

Column 2.--Enter the shareholder's last known address.

Column 3.--If the shareholder was an individual, name the country of which he was a citizen. If a corporation, name the country under whose laws the corporation was organized.

Column 4.--If the corporation issued only one kind of shares, you may leave this column blank. If it issued more than one class, give the class of shares held by the person named, and explain in a supplement what are the different rights of the various classes.

Column 5.--Give the largest number of shares which the holder owned at any one time.

Column 6.--Give the percentage of the class of shares which the holder owned, when his holdings were largest.

Column 7.--If the person named ceased to be a shareholder before the corporation was dissolved or liquidated, give the last date on which he was a shareholder.

Name (1)	Address (2)	Citizenship (3)	Class of Shares (4)	Largest Number Held (5)	Percentage of Class (6)	Last Date (7)

(j) What happened to the corporation (dissolution, liquidation, etc.) Give date _____

_____

(k) By what right does claimant represent or succeed to the corporation? _____

_____

_____

(State in what capacity the claimant claims; for example, as receiver or trustee. If claimant was appointed by order of court, give the name of the court and date of the order. If appointed in some other way, explain how.)

(l) Attach a copy of the order of court, or other document on which claimant's title is based, to each copy of the schedule. The copy attached to the "original" of the schedule should be certified by the court or other competent official.

Office Memorandum • UNITED STATES GOVERNMENT

OB Claims 2653

TO : Mr. Arthur R. Schor, Chief
Claims Section, OAP

DATE: September 4, 1956

FROM : Harold Lee, Legal Officer
American Consulate General, Munich, Germany

SUBJECT: JRSO Claims
(Berlin cases)

Harold Lee

Transmitted herewith is a report of even date, prepared by Mr. Victor B. Barrett of our Berlin Office, describing the results of his investigation in the above-mentioned matter.

Inasmuch as it appears that we have furnished all the information available, we are closing our files on 22 JRSO claims cases.

Enclosure

Sample copy
WNRC
ACCESSION # 65A1063
BOX 1
Location 1687522-3

RECEIVED
OFFICE OF ALIEN PROPERTY
DEPARTMENT OF JUSTICE
SEP 10 1956
ANS'D ..... DATE .....
NO. ANS. ..... DATE .....

Sarah,
There are some of the originals Abbey dropped off. She still has some with her to copy.
—Lauren

FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Harold Lee, Legal Officer
American Consulate General, Munich

DATE: September 4, 1956

FROM : Victor B. Barrett, Legal Officer VBB.

SUBJECT: JRSO Claims
(Berlin Cases)

Reference is made to Claims 1939 of April 4, 1956, and to the interim reports submitted in this matter. The present report will deal with cases listed in Schedules A, D and F, with Berlin addresses, to the extent that investigation regarding these cases was completed. Translations of the documents submitted are supplied only with regard to some of the enclosures in view of the voluminous material and the small translating staff we have. The essential contents of the respective documents are, however, summarized in the present report. Certificates were not considered necessary with regard to these documents and are therefore not attached.

It was noted that in many cases only the name or an initial and the last name were furnished by the Department, without a street address in Berlin. This identification is as a rule not sufficient for a city of the size of Berlin and consequently no results were obtained in a number of those cases.

Whenever necessary the following agencies in Berlin were contacted: (1) Bureau of Residence, Chief of Police; (2) the Custodian for Restitution Properties in Berlin W 30, who has custody of the files of the former Oberfinanzpraesident Berlin regarding confiscation of properties of Jewish residents of Berlin; (3) the Restitution Agencies; (4) the Indemnification Office; (5) various probate courts.

Schedule A 34. Marianna Scholz-Scherf, Bamberger Strasse 58, Berlin W 15. Reference is made to the interim report, OB Claims 2598, which tentatively identified subject as the present Marianna Scherf Brehm, divorced Scholz in 31 Am Weiher, Hamburg 19. There is herewith submitted a letter of subject, dated August 20, 1956, enclosing two certificates pertaining to the marriages of subject with Walter Scholz and Roland Brehm respectively (the originals were returned to subject and were replaced by photostats)(Enclosure 56). In her letter subject refers to two persons as witnesses for the fact that she previously resided at the address indicated by the Department under the name Marianna Scholz Scherf. Considering that subject's former Berlin address was confirmed by Luise Pohl (Enclosure 29 to OB Claims 2598) further evidence is not believed to be necessary.

Schedule D 15. Paul Braun c/o Marx (not Marso), 33 Skalitzer Strasse, Berlin. The letter of the Chief of Police Berlin of July 27, 1956, contains the information that subject formerly resided at 30 Skalitzer Strasse, Berlin SO 36, moved to 124 Wrangel Strasse, Berlin SO 36, and died on May 30, 1945 (Enclosure 57, Item 1). There is herewith submitted a complete copy of a death certificate of subject issued by the Office of Vital Statistics "Mitte" in the East Sector of Berlin (Enclosure 58). The original thereof is contained inthe probate file 6.VI.941.46 of the County Court Tempelhof-Kreuzberg in Berlin. There is furthermore submitted a letter of the administrator of the estate of Paul Braun, Hermann Haubenreisser, in Berlin-Tempelhof, of August 16, 1956, with copy of his appointment by the County Court Tempelhof-Kreuzberg in Berlin of February 24, 1947 (Enclosure 59). It will be seen from Enclosure 59 that the heirs of Mr. Braun are unknown. Reference is made to the extract copy of a deed executed by Paul Braun and Johannes Schmenkel on September 1, 1939, which was found in certain land title files attached to file 141 WGK 58.56 of the Restitution Chamber Berlin. In Article 8 of the deed both contracting parties stated that they are non-Jewish (Enclosure 60). It is therefore believed that further investigation of this case will not be required.

Schedule D 19. Max Winter and/or Margarete Winter, Neue Bahnhofstrasse 36, Berlin. From the letter of the Chief of Police Berlin (Enclosure 57, Item 10) it will be noted that a married couple by that name resides at an address in Berlin-Schoeneberg. There is herewith submitted a letter of this Max Winter of July 30, 1956, indicating that subject may have an interest in the inheritance of a cousin, name not indicated, who died in the U.S. (Enclosure 61). Our correspondent also indicates his previous Berlin addresses from 1900 to date. This information was checked against the applicable Vesting Order 9628 which pertains to an account kept with a New York bank. This property is not identifiable with the alleged property indicated in the letter (Enclosure 61). Furthermore, the letter (Enclosure 61), fails to indicate the address furnished by Washington. There is no proof that the writer of the letter, Enclosure 61, is identical with the vestee. It has to be stated that 36 Neue Bahnhofstrasse is located in Berlin-Lichtenberg, present Soviet Sector, so that the investigation cannot be continued.

Schedule D 20. Alfred Rosenberg, Nollendorfstrasse 31/32, Berlin. This subject is listed under the address indicated, in the Jewish directory for Greater Berlin from 1931 (last-known edition). The telephone directory for 1933 lists one Alfred Rosenberg for the address Schwarzburgallee 1, Berlin-Charlottenburg 9. There is submitted herewith as Enclosure 62 letter of Walther Schmidt of Berlin-Charlottenburg 9 of July 26, 1956, who is the administrator of the building corresponding to the last-named address. Mr. Schmidt confirms that Dr. Alfred Rosenberg moved from the address supplied by the Department, Nollendorfstrasse 31/32,

to Schwarzburgallee 1 (present designation Olympische Strasse 2), where he resided until September 1, 1933. As far as Mr. Schmidt is informed Dr. Rosenberg then moved to the United States. This information is in keeping with the fact that this investigator was unable to discover any subsequent trace of Dr. Rosenberg's presence in Berlin. While the present whereabouts of Dr. Rosenberg, if living, cannot be determined, it is belived that this subject does not come under the purview of the claims filed by JRSO.

Schedule D 23. Joseph Molnar, Berlin. The letter of the Chief of Police Berlin (Enclosure 57, Item 7), lists two former residents of Berlin by that name, who are both natives of Hungary. There are herewith submitted undated letter of Elisabeth Meyer-Haagen, in Bad Salzuflen, former British Zone (Enclosure 63), and letter of Vorsorge Lebensversicherungs A.G. of August 20, 1956 (Enclosure 64), The writers of the letters are the owners of the buildings where subject (1) and subject (2) described in the letter of the Chief of Police Berlin (Enclosure 57) formerly resided. Our correspondents are unable to indicate the present whereabouts of the subjects or to confirm the fact that the individuals formerly owned assets in the U.S. Further investigation cannot be undertaken.

Schedule D 51. Herman Goldkraut, Berlin. There is herewith submitted a letter of Attorney Dr. Joachim Beutner in Berlin-Charlottenburg 9, of August 7, 1956, enclosing copies of two certificates of inheritance issued by the County Court Wedding in Berlin on June 25, 1955, and January 9, 1956, respectively, pertaining to the estate of one Hermann Goldkraut in Berlin who was declared dead effective January 26, 1943 (Enclosure 65). Inasmuch as the Department has failed to indicate an address for subject, identity cannot be asserted. However, the name of subject is faily unusual. It will be noted that the certificates of inheritance state that three of the six heirs were dead at the time when the certificates were issued. An attempt to determine the succession to the estates of these heirs was not made, but further investigation regarding the identity of Herman Goldkraut and of his heirs may be undertaken by contacting the attorney of certain heirs, Mr. Richard O. Graw, Room 440 Tioga Building, 2020 Milvia St., Berkeley 4, California.

Schedule D 97. E. Zander, Berlin. It was noted from the applicable Vesting Order 9772 that the property vested concerns a certain debt owing to E. Zander by The American News Company in New York, N.Y. The name of E. Zander does not sufficiently identify the owner of the property but an inquiry was directed to Erich Zander, Printers and Publishers, at 55 Zossener Strasse, Berlin SW 29, inasmuch as the nature of the business of the American and the German firm are similar. Erich Zander Company, in its letter of August 27, 1956 (Enclosure 66), states that all its records were destroyed in the war, but that the late Mr. Erich Zander has personally

made certain agreements with The American News Company, New York. While this information is not completely convincing, it is believed to be sufficient to establish the likelihood that the writer of the letter, Enclosure 66, is identical with the vestee.

Schedule D 128. Leopold Hamburger, Berlin. A person by that name is listed in the 1941 Berlin directory as the owner and a resident of Jagow Strasse 30, Berlin-Grunewald. Reference is made to Claim No. 31022, filed by one Ronney L. Harlow as the son and heir of Leopold Hamburger of the above-mentioned Berlin address. It is believed that the file pertaining to Claim No. 31022 contains evidence for the death of Leopold Hamburger and for the heirship of Mr. Harlow. Further investigation was not undertaken in view of the small amount involved.

Schedule D 130. Kurt Emmerman, Berlin. Vesting Order 6679 indicates that a debt owing to Kurt Emmerman by E. Leitz Inc. in New York was vested. The firm named is well known as the manufacturer of the Leica cameras. The enclosed photostat from the Berlin telephone directory from 1941 lists Curt Emmermann, with an address in Berlin-Charlottenburg, as a Leica distributor (Enclosure 67). There are furthermore submitted two letters of Franz Bergmann K.G. in Berlin-Zehlendorf of July 25 and August 1, 1956 (Enclosure 68). This firm is the successor organization of Ernst Leitz in Berlin-Zehlendorf, believed to be a subsidiary of the American firm which was named. These letters confirm the connection of Curt Emmermann with the firm of Ernst Leitz; furthermore the letters state that Mr. Emmermann is missing in action; his wife, Johanna Emmermann, resides at Hans Sommer Strasse 61, c/o Kuhlmann, in Braunschweig, former British Zone. This investigator has not sought to obtain confirmation of the identity of Mr. Emmermann as described in the letters (Enclosure 68) with the person named in the vesting order, from Mrs. Emmermann in Braunschweig, considering the small amount of money involved. Further investigation is not belived to be necessary.

Schedule D 131. Howard Wassermann, Berlin. No person by the name of Howard Wassermann was found in the Berlin directories for 1935 and 1941 or by the agencies listed above under (1) and (2). In the absence of the vesting order which is not available in Munich, further investigation cannot be undertaken.

Schedule D 138. Hedwig Zimmes and Eugene Zimmes, Berlin. No person by the name of Zimmes was found in the Berlin directories for 1935 and 1941 or by the agencies listed above under (1) and (2). In the absence of the vesting order which is not available in Munich, further investigation cannot be undertaken.

Schedule D 157. A. Trautmann, Berlin. The Berlin directory for 1941 lists 18 persons by that name. There is, however, submitted a letter of patent

attorney A. Trautmann, in Berlin-Zehlendorf, of August 10, 1956 (Enclosure 69), listing certain debts owing him by individuals in the U. S. It is suggested that this data be compared against the indication of the assets in the applicable vesting order, which is not available in Munich. The comparison should reveal whether or not our correspondent is identical with the vestee.

Schedule D 170, 171, 173. Freda Friedman, Johanna Friedman, Jacob Friedman, Berlin. The agency indicated above (2) lists two persons by the name of Jacob Friedmann, 5 persons by the name of Frieda, not Freda, Friedmann and 9 persons by the name of Johanna Friedmann. In the absence of additional information, identification is not possible and the investigation cannot be continued.

Schedule D 172. Erna Emma Rolfs, Berlin. The applicable Vesting Order 554 lists as a co-vestee Alfred Rolfs, whose address in Kulmbach, Bavaria, was ascertained by Mr. Hans R. Ohrnberger. There is herewith submitted a letter of Alfred Rolfs indicating a Berlin address for Erna Emme Rolfs (Enclosure 70). This address was confirmed by the Chief of Police Berlin as 36 Thielsch Ufer, Berlin SO 36.

Schedule D 174. Arthur Goldberg, Berlin. The agency (2) above, has a record of one Arthur Goldberg, born August 14, 1876, whose last-known Berlin residence was 11 Habsburgerstrasse, W 30. The agency (3) above, keeps a file, docket number 2 WGA 4508.50, showing this subject's present address as 30-34, 30th Street, Astoria, L.I., N.Y. - In the absence of information regarding a street address of the vestee, and considering the unavailability in Munich of the applicable vesting order, the investigation cannot be continued for the purpose of establishing correct identification.

Schedule D 178. Jacob Braun, Berlin. The city directories for Berlin of 1935 and 1941, do not list this subject. None of the agencies listed above (1) through (5) keeps a record of this subject and in addition the Berlin Central Bank has no report of assets in the U.S. filed by any individual by that name under the respective order of the Allied Berlin Kommandatura. Investigation cannot be continued.

Schedule D 197. Wilhelm Kamenz, Berlin.
Schedule D198. Erika Kamenz, Germany.
The letter of the Chief of Police Berlin (Enclosure 57, Item 5) lists Wilhelm Kamenz and his daughter, Erika Kamenz Kraemer, as residents of 45 Borkumer Strasse, Berlin-Schmargendorf. Enclosure 71 is a letter of these subjects of July 25, 1956, asserting that they are the owners of the property listed in Vesting Order 7557 and that furthermore the Department has given them information regarding the vested assets with letter of March 20, 1952. The vesting order is not on file in Munich, but further investigation is not believed to be necessary.

Schedule D 203. Simon Boehm, Berlin. None of the agencies listed above (1) through (5) has a record of subject whose name was not found in the city directories for 1935 and 1941. This investigation cannot be continued.

Schedule F, 4. Heirs etc. of E.S. Wallenstein, deceased, Bregenzer Strasse 3, Berlin W 15. The agency listed above (2) keeps a record of a declaration of assets and liabilities of December 9, 1942, which subject had to file under Nazi regulations. The address indicated in this declaration corresponds to the address supplied by the Department. The County Court Charlottenburg of Berlin on May 20, 1952 entered a decree regarding the presumptive death of subject (copies of declaration and of decree Enclosure 72). There is also submitted copy of a Joint Certificate of Inheritance issued by the County Court Charlottenburg, Berlin on August 22, 1953 (Enclosure 73), indicating subject's sons Gerd Wallenstein and Dr. Heinz Wallenstein as subject's heirs. A letter, dated August 7, 1956, of Dr. Heinz Wallenstein in Israel (Enclosure 74) indicates also the last address of his brother Gerd in the U.S.

It is recommended that the 22 cases, in regard of which all available information was supplied, be considered closed. Investigation pertaining to the remaining 20 cases in Berlin and surrounding areas in the Soviet Zone continues.

Enclosures

RECORDS AT THE WASHINGTON NATINAL RECORDS CENTER (WNRC)
Suitland, Maryland

RECORD GROUP 131 – Office of Alien Property – Department of Justice

Box reads:

RG 131

Accession 65 – A – 1063

Box #1

Agency - Department of Justice

Division – OAP

Contents – Enclosures
017-26052 – F23-1

[Location – 16 – 87 – 52 – 2 – 3]

Box contains **Claims Files**

Wallet envelope – **034-220 – Berlin Cases** Section I
ENCLOSURE Files
Investigation Reports from Munich Office 1956-1957

Wallet contains packets of correspondence and memos on JRSO claims

337896

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Harold Lee, Legal Officer
American Consulate General, Munich, Germany

DATE: October 5, 1956

FROM : Hans R. Ohrnberger, Legal Officer

SUBJECT: JRSO Claims

H.R. Ohrnberger

With further reference to my report dated September 20, 1956, which was forwarded to the Washington Office under OB Claims 2672, there are submitted herewith the replies together with documentary evidence to the extent such was furnished, from the sources contacted on 67 cases listed in Schedule "A" attached to Mr. Schor's memorandum of April 4, 1956, Claims 1939. Note, however, that in view of the voluminous material and the small translation staff we have, translations were not made of such informatory and documentary material. We are, therefore, furnishing summaries for each of the cases reported herein:

Item No. of "A"	Vestee	Result of Investigation
17.	Rosa Horn, Baden	The authorities of the city of Baden-Baden advised that a Rosa Horn, who appears to be the person in question, moved to Freiburg i.Br. in 1926. The Freiburg authorities advised that Miss Rosa Horn, born January 30, 1905, moved to Obersassbach on October 31, 1926. The Obersassbach authorities, however, have no records of the subject vestee (Enclosures 1 - 4).
61.	Gerhard Wissmann, Bersenbrueck	The subject vestee, born May 2, 1861, died on February 13, 1946. His heirs, Elisabeth Markus, Elisabeth Wissmann and Hermann Wissmann are alive and reside in Bersenbrueck and Hardenberg (Enclosures 5 and 6).
62.	Katharina Antionette and Wessling Markus, Bersenbrueck	Antoinette Katharina Markus, nee Wessling, a Roman Catholic, died on December 20, 1943. Her son and heir, Wilhelm Markus apparently the other vestee, is alive and resides in Bersenbrueck-Briggenhagen (Enclosures 7 and 8).

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Item No. of "A"	Vestee	Result of Investigation
65.	Mrs. Marie Baumann, 6 Vormbaumstrasse, Bielefeld	Subject, married Marie Henrietta Luise Ohnmacht, a Protestant, born March 9, 1901, moved in 1947 from Bielefeld to Stuttgart where she died on January 31, 1953. Her husband and sole heir, Christian Ohnmacht, is alive and presently resides at Burgstallstrasse 130, Stuttgart-Heslach (Encl. 9 - 13).
98.	Paul Hilberg, Dortmund	Subject, a Catholic, born January 21, 1879, died on August 24, 1946. His wife Elisabeth nee Zanke, is still alive and presently resides at Staufenstrasse 12, Dortmund (Enclosure 14).
99.	Grete Salomon, Dortmund	The authorities of the city of Dortmund advised that without further data, such as date and place of birth, the exact former street address, they are unable to trace the subject vestee as their residence registration records were destroyed during the war (Enclosure 15).
100.	Wilhelm Baehr, c/o Deutsche Bank und Diskontogesellschaft Filiale Duisburg	The authorities of Duisburg advised that without further data, they are unable to trace the subject vestee. A check made with the former Deutsche Bank in Duisburg was negative (Enclosure 16).
101.	Amelia Hillman Forkelsh #14 Kr. Duesseldorf	Subject's place of residence, as indicated, does not exist. The authorities of Duesseldorf were unable to trace the subject vestee (para 1. of Enclosure 17).
102.	Siegfried Falk, Duesseldorf	Subject, Jewish, born August 15, 1874, died on December 5, 1941 in Duesseldorf. His son Dr. jur. Friedrich Falk, born December 2, 1907, who moved to Hamburg in 1936, could not be located by the Hamburg authorities (para 2 of Enclosure 17 and Enclosures 18 & 19).

Item No. of "A"	Vestee	Result of Investigation.
103.	Louis Bauer Malkastenstrasse 17, Duesseldorf	Subject, born August 21, 1880 im Kloster Dausnitz, is still alive and presently resides at Neustrasse 4, (which is the new name for Malkastenstrasse), Duesseldorf. (See para 3 of Enclosure 17). -Already closed under OB Claims 2672.-
115.	Elise Bierbaum, 8 Marien Street, Essen West	Subject, a Catholic, born July 3, 1896, died on October 16, 1955 (see para 3 of page 2 of Enclosure 20 and Enclosure 22). Of her five children (referred to in para 3 of Enclosure 21) only her daughter Mrs. Elisabeth Haase, is still alive (see para 4 of Enclosure 21 and Enclosures 23 - 26).
116.	Anna Klein, Essen, Elting Str. 63	Subject, born June 17, 1895, died on September 17, 1953 (see para 3 of Enclosure 20). Her husband Gustav Klein predeceased her in 1915. This information was given to the city authorities of Essen by subject's daughter-in-law, Mrs. Maria Klein, residing at Elting Strasse 19, Essen, where the subject vestee also had resided. Note that according to a neighborhood check and inquiry at Elting Strasse 63a (the house Elting Strasse 63 was destroyed during the war) a Anna Klein never a resident there.
117.	Erich Hesse and Meta Hesse c/o Deutsche Bank, Filiale Essen, Essen	Subject vestees could not be traced by the city authorities of Essen (see para 1 of Enclosure 20).
119.	Emma Meyer Fallingbostel, Freudenthalstrasse 300	The city authorities of Fallingbostel advised that subject had passed away and that her daughter Mrs. Erna Foerster, nee Meyer, resides at Freudenthalstrasse 24, Fallingbostel (Encl. 27). Mrs. Foerster furnished a list of the names and addresses of the heirs to the estate of William Niemeier (Enclosure 28 showing that Emma Meier nee Deichmann died on June 2, 1956).

Item No. of "A"		Vestee	Result of Investigation
155.	✓	Otto Wagner Haberschlacht O/A Brackenheim	Subject, a Protestant, born May 30, 1871 could be traced to Goeppingen where he died on November 3, 1950. His wife Frieda nee Nuessle predeceased him on February 10, 1931 (Enclosures 29 - 34). Subject's daughter and heir Miss Ottilie Wagner born December 7, 1902, died on July 25, 1956 in Emmendingen. Her heirs have not as yet been determined (Enclosure 35).
156.	o	Mietze (Betty) Weingardt Hofen	Subject vestee could not be located in the several localities "Hofen" appearing in the German register of communities (Enclosure 36 - 40 incl.).
175.	o	Otto Ahrends Sudthorquai 10, Hamburg	The Hamburg authorities advised that according to information obtained from the firm Koerner at the address in question Karl Otto Ahrends, born May 12, 1876, last residing at Kuhmuehle 4, Hamburg 24, died in battle on November 26, 1916 in France. His next-of-kin or other relatives could not be located (Enclosure 41).
189.	o	Thea Jakobine Catharina Vahl, nee Rolfs, Hamburg	The Hamburg authorities advised that Mrs. Thea Vahl, born March 10, 1874, on October 14, 1903 moved from Hamburg, Viktoriastrasse 37, to Halstenbek, Kreis Pinneberg, where subject could not be traced. A Kurt Vahl, residing at Altonaer Strasse 37, in nearby Rellingen was questioned with negative result (Enclosures 42, 43 and 44).
202.	o	Max Meyerstein, Landschaftstr. 6, Hannover	The authorities in Hannover advised that subject, Jewish, born January 16, 1888, moved to Berlin on June 1, 1926 where he died. Other information is not available. (Enclosure 45).
211.	✓	Mathilde Wolf Zobel, Hauptstrasse # 124, Aglasterhausen 6, Heidelberg	Subject could be traced to Vautenbach, Kreis Buehl, where she presently resides at Bundesstrasse 30 (Enclosures 46 - 51 incl.

Item No. of "A"	Vestee	Result of Investigation
215.	Richard Roth, 3 Staedlerstrasse, Friedberg, Hessen	Subject, a Protestant, born January 13, 1897, could be traced to Duesseldorf where he presently resides at Urdenbacher Allee 93 (Enclosures 52, 53 and 54).
217.	Mathilde Simons, c/o Stadtsparkasse, Neumuenster 1, Holstein	Subject, Protestant, born February 1, 1863 died on January 8, 1946 in Neumuenster. (Enclosures 55, 56 and 57). Her estate is shared by 7 heirs (Enclosure 58).
222.	Gustav Meier, Hutzel	Subject, a Protestant, born June 9, 1889, is still alive and presently resides at House No. 33 in Huetzel, Kreis Soltau (Enclosures 59 - 60).
227.	Albert Jakob or Magdalena Jakob, Ihringen, Amt Breisach, Baden	The authorities of Ihringen a/K. advised that subject vestees had passed away and that their legal heirs are Erna Hohwieler nee Jakob and Anna Jakob (Enclosure 61).
2 34.	Margareta Pfeffer, Damperhofstr. 12, Kiel	Subject, a Protestant, born July 2, 1896, is still alive and presently resides at 12 Damperhofstrasse, Kiel (Enclosure 62).
236.	Valeska Hagelstein, Gaarden Schulstr. No. 1, Kiel	Subject, a Protestant, born March 30, 1891, is still alive and presently resides at Koenigsweg 97, Kiel (Enclosure 63).
237.	Marie Hagelstein, Kiel, Herzog # 69 Friedrich Strasse	Subject, a Catholic, born February 25, 1889, is still alive and presently resides at Holstenstrasse 18, Kiel (Enclosure 64).
239.	Richard Joachim Andreas Rolfs, Kiel	Subject, a Protestant, born May 17, 1879, is still alive and presently resides at Holstenstrasse 18, Kiel (Enclosure 65).
242.	Marie Kirschbaum, Kirchentellinsfurt, Wuert.	The authorities of Kirchentellinsfurt advised that subject, born January 17, 1887, is alive and presently resides at Gaesslershof, Kirchentellinsfurt (Enclosure 66).

Item No. of "A"	Vestee	Result of Investigation
246.	Max Erwin Gerber, Roetgen Str. 25, Koeln, Ehrenfeld	Subject vestee still resides at 25 Roentgenstrasse, Koeln-Ehrenfeld (Enclosure 67).
247.	Herman Rosenbaum, Koln, Luxemburger Str. 10	The authorities of Cologne advised that subject could not be traced as records prior to 1945 no longer exist, but that the building Luxemburger Strasse 10, was owned by the widow of a Julius Rosenbaum, residing at Koeln-Zollstock, Alfterstrasse 13. Mrs. Rosenbaum advised that Hermann Rosenbaum was Jewish and perished in the concentration camp Litzmannstadt; that her husband, Julius Rosenbaum, also died during the Nazi regime, leaving as heirs his widow, Johanna Rosenbaum, his two sons, Karl Arthur and Alfred Heinrich Rosenbaum, who are alive and reside at the address mentioned above (Enclosures 68 & 69).
248.	Peter Wolff, c/o Josef Bunger, (22c) Koln-Braunsfeld, Aacheerstr. 333	The authorities of Cologne require additional data in order to trace the whereabouts of subject vestee (note that the building Aachenerstrasse 333 was toally destroyed during the war). (Enclosure 70).
250.	Erna Mangold, Kassel	The city authorities of Kassel advised that without date of birth or the last street address, the subject vestee cannot be traced (Enclosure 71).
253.	Max Buchholz, 1 Achenback Strasse, Kassel	Subject, a Protestant, born February 12, 1875 died on January 14, 1956. He is survived by his widow Gertrud, nee Schultze, who presently resides at Ahnatalstrasse 87 (Enclosure 72).
255.	Heinrich Burfeindt, Bevern, 52 Kreis Bremervorde	Subject, born June 21, 1910, is still alive and presently resides at House No. 52 in Bevern, Kreis Bremervoerde (Enclosures 73 & 74).
261.	Irma Ullrich or heirs etc. names unknown, Lohmar bei Siegburg	Subject, a ~~Protestant,~~ Catholic, born P6/(b)(6) in Hayword, California, is married to Kurt Richter, a Protestant, and resides at Mittelstrasse 5, Lohmar near Siegburg, North-Rhine Westphalia (Enclosures 75, 76 and 77).

Item No. of "A"	Vestee	Result of Investigation
262.	Walter Blum, Osterfeldstrasse 1, Lokstedt, Hamburg	Subject, not Jewish, born August 21, 1907, is still alive and presently resides at 88 Osterfeldstrasse, (formerly No. 1), Hamburg-Lokstedt. (Enclosures 78 and 79).
264.	Katharina Stern, Balauerfohr 15, Lubeck	The authorities of Luebeck advised that this concerns a Mrs. Catharina Stiern, nee Heiduck, a Protestant, born on December 14, 1897, who is still alive and presently resides at Hartengrube 10/11 in Luebeck. Until July 16, 1937 she resided at Balauerfohr 15. The spelling of the family name "Stern" was changed to "Stiern" several years after her marriage to Karl Stiern whose certificate of birth, reportedly was issued in that name as against those of his brothers and sisters in the name of Stern. Subject stated that she shares in an inheritance of her aunt, Miss Elizabeth Schneider of Chicago. (Enclosures 80 and 81).
266.	Wilhelm Wolf et al. Rosa Schairer Meta Albrecht August Albrecht Oscar Mahl Hedwig Albrecht Osterholzallee 104, Ludwigsburg	The authorities of Ludwigsburg advised that Otto Wolf, born March 22, 1879, is still alive and presently resides at Osterholz Allee 104. He is the woner of that building. He stated to the Ludwigsburg authorities that Rosa Schairer, Oscar Mahl and Hedwig Albrecht were mentioned in the testament of Adolf Trick but not August and Meta Albrecht were ~~not~~ mentioned in that document; that he did not personally know these 6 persons and that they never resided at Osterholzallee 104. (Enclosures 82 & 83). Of the 6 persons only the existence of Oscar Mahl could be ascertained. He was born on February 20, 1887 and presently resides at Gelbinger Gasse 41 in Schwaebisch Hall (Enclosures 84 and 85).
267.	Gustav Weiss, Lutherstrasse 12, Ludwigshafen am Rhein	Subject, a Protestant, born February 19, 1895, could be traced to Mainz-Kastel, where he presently lives at Alzenstrasse 6 (Enclosures 86 - 89, incl.).

Item No. of "A"	Vestee	Result of Investigation
275.	Fred Halm, a/k/a Frederick Halm, Meisenheim am Glau, Rhineland	Subject, born April 18, 1861, died on December 29, 1941, in Weierbach, Kreis Birkenfeld. His heirs are the three brothers Georg, Friedrich and Karl Becker of Meisenheim according to a contract signed on April 14, 1942 (Enclosures 90, 91, 92 and 93).
279.	Friedrich Simon, Munchen 22, c/III Adelgundenstrasse	Subject, born March 3, 1878, died on May 2, 1946, leaving 4 heirs as indicated in Enclosure 97. Church Counsell Dr. Theodor Karg, Himmelreichstrasse 2, Munich 22, the executor of the estate (Enclosures 94 - 97, incl.).
301.	Henry Michaelis, Meitzmann's House, Hartum, Kreis Zeven by Bremen	Subject, a Protestant, born February 15, 1873, died on October 15, 1952, leaving 3 heirs as indicated (Enclosure 98).
303.	Marie Meier, Neuenhaus	Subject, a Roman Catholic, born March 1, 1896, resides at Dackhorstweg 13, Neuenhaus, Kreis Bentheim. She stated to the authorities of Neuenhaus, that she does not believe to be the vestee in question, as she had never any relatives in the United States. Note that this case is not counted as a closing as a report was already forwarde to Washington under OB Claims 2642. (See b of Enclosure 99).
304. 198.	Harry Rickhoff, Neuhaus, Grafschaft Bentheim	Subject, a Roman Catholic, born on September 27, 1877, in St. Louis, USA, is alive and presently resides at Dackhorstweg 9, Neuenhaus, Kreis Bentheim. Note that his name is spelled "Riekhoff". (See a of Enclosure 99).

Item No. of "A"	Vestee	Result of Investigation
306.	Philip Sauer or issue Neustadt	There are 11 towns by the name of Neustadt in Western Germany. All were contacted and several persons with the name of Philip Sauer could be traced: a) Philip Sauer, born February 23, 1900, formerly residing in Neustadt/Schwarzwald, now resides at Hauptstrasse 59, Muelhausen, Kreis Heidelberg. He stated having no knowledge of any assets in the U.S.A. vested in his name (Enclosures100, 101 and 102). b) Philip Sauer, born June 22, 1887, presently residing at Rathausstrasse 17, Neustadt a.d. Weinstrasse (see 1 of Enclosure 103) claimed to be an heir to the estate of Elisabeth Weber, nee Darting (see Encl. 104). In this connection a similar claim was also made by Mrs. Binchen Winter, residing at Muelweg 3, Hambach/Weinstrasse (see Encl. 10 c) Philip Sauer, born September 29, 1893, who died on August 3, 1949, in Neustadt a.d. Weinstrasse. His widow, Maria Sauer, residing at Luitpoldstrasse 40, there stated that she has no knowledge of any U.S. assets which her late husband might have owned. (See 2 of Encl. 103 and 106). d) Philip Sauer, born August 24, 1898, and residing in Lambrecht, Kreis Neustadt a/d Weinstrasse, Luhrbacher Str. 19 (see 3 of Enclosure 103), stated that although he has relatives in the U.S. he knew nothing of any assets left him there. (Enclosures 103 - 107, incl.).
314.	Mrs. Roels Goltz and her children, Oberamt Schorndorf, Wurtenberg	Subject, a Protestant, born February 23, 1877, last residing at Silberburgstrasse 27, Stuttgart died on July 18, 1956. Her heirs are Karl Goelt and Mrs. Emma Rauch (see Encl. 111) of Meckenbeuren, Kreis Tettnang, and Smaragdweg 8, Stuttgart, respectively. (Enclosures 108 - 112)

Item No. of "A"	Vestee	Result of Investigation
321.	Caroline Schwager, Ostisheim, Wurttemberg	Subject, was born on December 1, 1880, and died on October 11, 1948. She was married to Wilhelm Schwager who was born on September 18, 1859 in Oetisheim and who died there on September 7, 1936. Although there were no children out of this marriage, there was a son, Wilhelm Schwager, out of the 1st marriage of his father, Wilhelm Schwager. This son is still alive and presently resides at Bahnhofstrasse 1, Muehlacker (see also Item 320 of List "A" reported under OB Claims 2642). (Enclosures 113, 114 and 115).
323.	Hilda Pagh Heilig, 248 Klingberg, Post Ponitz, Ost.Holstein	Subject, born March 25, 1909, is Nice, died on September 17, 1953 in Gronenberg. Her heir is her husband, Johann Heilig, who presently resides at Nussdorferstrasse 53/III, Vienna IX, Austria (Enclosures 116 - 119, incl.).
326.	Lina Franzing, a/k/a Karolina Franzing, Lamershagen 1, Post Hillegossen (Kr. Bielefeld)	Subject, born April 10, 1904, is still alive and presently resides in Laemershagen No. 102, Kreis Bielefeld (Enclosures 120 and 121).
347.	Gustav Heinrich Rolfs, Schacht-Audorf	Subject, born June 2, 1884, died on November 2, 1953 in Flensburg, leaving 5 heirs as indicated in Enclosure 122. (Enclosures 122 - 124, incl.)
355.	Elisabeth Phillipps, Solingen-Graefrath	Subject, a Protestant, born July 8, 1883, is still alive and presently resides at Wuppertalerstrasse 263, Solingen and also at Dellerstrasse 31, in Haan, Rhineland. Enclosure 126 and 127.
356.	Rudolph Braun, Solingen	Subject, a Protestant, born October 11, 1896, is still alive and presently resides at Kuelf Strasse 6, Solingen (Enclosures 126 & 128
361.	Louisa Lauer, Marstall Strasse 3, Stuttgart	Subject, born August 6, 1892, could be traced to Radevormwald, Rhein-Wupper Kreis, where she lives at Doerpe 7, bei Ennepper, Radevormwald (Enclosures 129 - 134, incl.).

Item No. of "A"	Vestee	Result of Investigation
374.	Frau Helene Weiss, Trossingen	The authorities of Trossingen advised that there is only one Helen Weiss registered and that it concerns Mrs. Helene Maiberg, nee Weiss, who presently resides at Loehrstrasse 7, Trossingen (see para 3 of Enclosure 135).
375.	Math. Kohner, Trossingen	The authorities of Trossingen advised that the name "Matthias Hohner" is a common name in Trossingen and that the person in question in all probability is Matthias Hohner, born April 2, 1892, a citizen of the United States, residing at 40 Fifth Avenue, New York (see para 4 of Enclosure 135 and Encl. 136)
389.	Henry Mauer, Wassergasse 16, Wallenheim, Rhein Hessen	The authorities of Wahlheim advised that subject is not known in that community and that a house and address "Wassergasse 16" do not exist. Inquiry made with Walheim, Kreis Aachen, and Waalheim, Wuerttemberg, the only other Walheims in Germany, was negative. (Enclosures 137 - 140, incl.).
392.	Margaret Weischer, Nerotal 76, Wiesbaden	Subject, a Protestant, born April 25, 1884, could be traced to Flensburg where she presently resides at Knuthstrasse 1. (Enclosures 141 - 145).
393.	Dr. med. Paul Weischer 67 Nerotal, Wiesbaden	The authorities of Wiesbaden advised that subject born on July 15, 1879, is believed to have died in 1948 in Niebuell, Schleswig Holstein. His wife is still living (see Encl. 141 to 145, above). Enclosures 146 and 147.
394.	Helene Weintraud, c/o Jos. Endres & Co. Wiesbaden	Subject, a Protestant, born September 29, 1875, died on May 17, 1941, leaving 4 heirs as shown in Enclosure 150. (Enclosures 148, 149 and 150).
395.	Louis Blum, Sonnenbergerstrasse, 84a Wiesbaden	Subject, a Protestant, born August 15, 1874, is still alive and presently resides at Sonnenbergerstrasse 84a, Wiesbaden. Enclosures 151 and 152.

Item No. of "A"	Vestee	Result of Investigation
397.	Hermann Wiechmann, Wesermuender G. Bulanstr. N. 36, 2nd Fl.	Subject, not Jewish, born October 20, 1881, died April 20, 1942. His wife Helene, ~~born~~ died December 22, 1955. There is only one heir, Anton Wiechmann, born January 2[illegible], 1909 who resides at Stoteler Strasse 24, Bremerhaven-W. (Enclosures 153, 154, 155).
398.	Adele Jager, Hollenerkamp, Wesermuende	Subject, not Jewish, born May 26, 1887, is still alive and presently resides in Hollen, Kreis Wesermuende (see Item 2 of Enclosure 154 and 165).
402.	Max Kirsch (fruehr Alfred Metz) Wollstein, Rheinhessen	Subject, born April 18, 1893, could be traced to Wallhausen, Kreis Kreuznach, where he resides at/109a (Enclosures 157, 158 & 159) House No.
404.	Emil Krenzler, Wuppertal-Barmen, Margaretenstr.	This is not a closing, as it was already reported closed under OB Claims 2660. Documents submitted herewith (Enclosures 160, 161, 162 and 163) are merely support of Enclosures 148, 149 and 150 to OB Claims 2660.

Note that with respect to the four cases covered by Items 28, 71, 357 and 401 no action could be taken, as the addresses of the subject vestees are located in the Russian Zone of Germany.

The documentary evidence, such as birth, death and inheritance certificates, etc., submitted herewith has not been certified in accordance with the provisions of the Rules of Procedure because certifications were not considered necessary in this case.

As it appears that the information on the sixty-seven cases described above answers the Washington request, it is recommended that they be closed in the files of this office.

Enclosures

337908

RECORDS AT THE WASHINGTON NATIONAL RECORDS CENTER (WNRC)
Suitland, Maryland

RECORD GROUP 131 – Office of Alien Property – Department of Justice

Box reads:

RG 131

Accession 65 – A – 1063

Box #1

Agency - Department of Justice

Division – OAP

Contents – Enclosures
017-26052 – F23-1

[Location – 16 – 87 – 52 – 2 – 3]

Box contains **Claims Files**

Wallet envelope – **034-220 – Berlin Cases** Section II
ENCLOSURE Files
Investigation Reports from Munich Office 1956

Wallet contains packets of correspondence and memos on JRSO claims

337909

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

GBS:MW:MCS:mam

TO : Robert H. Schnacke, United States Attorney
San Francisco, California

DATE: October 23, 1958

FROM : George B. Searls, Chief, Litigation Section
Office of Alien Property

SUBJECT: Estate of Herman Dunkel, deceased
017-27887

Attention: Miss Mary Eschweiler

Enclosed please find original and two photostatic copies of the proof of existence of Bernhard Mueller. This completes the submission of documents required to establish the existence of the German heirs.

Attachments.

Oct. 30, 1958

337910

[Translation] [Wetzel/et/] 337911

Copy.

Surname: Müller Street: Hauptstrasse House number: 56

Serial No.	Christian name and surname:	Profession:	Date and Place of birth:	Citizenship:	Religion:	Marital status:	Died:	Remarks:
a)	Householder: Müller, Valentin	Shoemaker	April 9, 1893 in Birkenau, Bergstrasse County	German	Protestant	Married	-	-
b)	Wife: Lina 1st marriage Date of marriage: November 12,1916 Place of marriage: Birkenau nee: Volk		May 23, 1894, in Weinheim,Mannheim County	German	Catholic	Married	-	-
c)	. . . . .							
d)	Children:							
1.	Müller, Hans	Shoemaker	P6/(b)(6) in Birkenau, Bergstrasse County	German	Protestant	Married	-	-
2.	Müller, Georg		P6/(b)(6) in Birkenau Bergstrasse County	"	"	"	-	-
3.	Müller, Helga		P6/(b)(6), Birkenau Bergstrasse County	"	"	"	-	-
4.	Müller, Reinhold		P6/(b)(6), Birkenau Bergstrasse County	"	"	single	-	-

[Seal:]
Registrar's Office of
Birkenau, Odenwald

Certified a true copy.
Birkenau, July 1, 1958.
(s) Weber, Mayor

Cable Address: JOINTDISCO LEGISL LExington 2-5200

AJC Gen-10- 347.17.10 Box 275 File US Heirless Property

Jewish Restitution Successor Organization

270 MADISON AVENUE
New York 16, N. Y.

February 11, 1958

MEMORANDUM

TO: Dr. Eugene Hevesi
Dr. Nehemiah Robinson
Dr. Simon Segal

FROM: Saul Kagan

Enclosed please find the text of the proposed statement by Mr. Goldwater for the hearings on the Heirless Property Bill which are scheduled for February 20th. Our Bill H. R. 7830 will be taken up by the Subcommittee on Commerce and Finance of the House Committee on Interstate and Foreign Commerce.

I would appreciate it very much if statements could be sent by the American Jewish Committee and the American Jewish Congress in support of this Bill. I assume that you will take proper care to make sure that the letters from the respective organizations do not follow too closely the text of the proposed statement by Mr. Goldwater. I hope very much that you will be able to arrange that the respective statements are sent out before the end of this week. I would appreciate it if copies could be sent to Seymour Rubin and to me for our records.

Saul Kagan

Encl.

STATEMENT OF MONROE GOLDWATER

My name is Monroe Goldwater. I am a member of the law firm of Goldwater and Flynn, 60 East 42nd Street, New York 17, New York, and I am Chairman of the Board of Directors of the Jewish Restitution Successor Organization. The Jewish Restitution Successor Organization, which I shall refer to hereinafter as the JRSO, is a New York charitable membership corporation. The JRSO strongly urges the prompt enactment of H. R. 7830.

The background of H. R. 7830 and the reasons why it is legislation which is necessary and is strongly in the public interest are as follows.

The JRSO was designated by President Eisenhower as the organization to file claims under Public Law 626. Under the provisions of that act, which had widespread bipartisan support in both houses of Congress, it was contemplated that claims would be filed by a successor organization or successor organizations, and that on the basis of these claims returns would be made of unclaimed or heirless property vested by the Alien Property Custodian, with the proceeds of such property being used for the relief and rehabilitation of needy persecutees now in the United States. It was contemplated, as is evident from the Committee reports upon which Public Law 626 was based, that the procedures of that law would result in substantial sums -- a top limit of $3 million being set -- being quickly put to use for these rehabilitation and relief purposes. Numerous safeguards were placed around the law to ensure that all proceeds of this property would be devoted to this relief activity.

It has become apparent, however, during the course of experience in the last two years that the procedures of Public Law 626 placed an untoward and almost impossible administrative burden on both the successor organization designated by the President, and on the agency of the United States Government having most to do with the carrying out of this program -- that is, the Office of Alien Property. The reason for this administrative burden is inherent in the type of claims filed by the successor organization. By definition, those claims are filed to property which belonged to persons who died in

concentration camps without heirs; and, of necessity, documentation is almost completely absent. Secondly, there are numerous claims in which amounts are small and problems of proof are great. Thus, the individual processing of some thousands of claims has proved to be a time consuming, expensive and frustrating task for those charged with the carrying out of the commendable purposes of Public Law 626.

It is noteworthy that there are substantial assets subject to claims of the JRSO as to which the facts are beyond the knowledge of any persons who can be found. These are cases in which the presumption is very great that they involve very substantial heirless assets, but as to which proof is difficult to adduce. I do not speak in this connection of the thousands of cases in which addresses are unknown and in which people are in areas to which access is impossible, as to which facts of all sorts are beyond the reach of private or governmental agencies in the United States. I may point out, rather, that there are some millions of dollars which have been vested by the Office of Alien Property, which were taken by the United States Army in Germany and which were turned over to the Office of Alien Property to be vested. These amounts were taken out of banks in Germany where no records existed as to who the true owners of these funds were. They were undoubtedly funds which had been destined for the secret coffers of the Nazi party or Nazi officials, and the circumstances very strongly suggest that they were currencies confiscated from Jews as to which no accounting was ever given or intended. The very fact that claimants have not appeared for these funds is the strongest of indications that at least in substantial amount these funds belonged to persons who could not press any claims because they were killed in the Nazi concentration camps and whose small hoards of dollar funds put together came to several millions of dollars. There are, in addition, claims to properties which are subject to certain conflicting claims. For example, the Office of Alien Property has vested diamonds in the amount of somewhere upward of a million dollars which came from German sources and which, in view of the JRSO, almost certainly were part of the loot taken by the Nazis from German Jews.

Additionally, H. R. 7830 would make it possible for non-Jewish organizations to receive a fair portion of this bulk settlement. The amounts which could be claimed by such organizations were so small and the administrative problems so great, that none of these organizations has asked to be designated under Public Law 626. This is not to say, however, that they should not have a claim, and H. R. 7830 recognizes that they should not be barred merely by the administrative problems which I have pointed out.

I may say also that the bill which is now under consideration -- H. R. 7830 -- is supported by all of the public-minded organizations to whose attention it has come. It is reasonable that it should be so supported, since it is designed not only to carry out a humanitarian objective but to implement legislation of the humanitarian nature which is already part of the statute law of the United States. Not to pass this bill would be to negate the intention of the Congress in enacting what is now Section 32 (h) of the Trading With the Enemy Act, and it would be to take back for reason of administrative burdens and complexity that which the Congress obviously intended to be made available to the surviving and needy victims in the United States of Nazi persecution.

These diamonds passed through the hands of the so-called Diamant-Kontor, as to which a United States Military Government report itself states, substantially contemporaneously, that it was formed exclusively to handle diamonds taken from Jewish persecutees. These are categories of cases in which proofs are very difficult, although I do have here and can submit the brief of the JRSO with respect to the diamonds in question. Absolute proofs of the sort which might be required in normal circumstances are obviously next to impossible in the situation with which we are dealing, and even if such proofs were to be attempted it would be years before evidence could be assembled, hearings could be held, and decisions on these claims could be made.

It has been the assumption of the JRSO that the Congress in passing Public Law 626, and the President in both signing the bill and designating the JRSO as successor organization, intended in fact to have monies made available for the relief of needy surviving persecutees in the U.S. We do not assume that the Congress intended Public Law 626 to empty legislation or that it was intended to raise the hopes of those who are interested in the welfare of these persecutees only to have those hopes dashed against a wall of administrative frustration. It is for these reasons that we strongly support H. R. 7830, a bill which is designed to cut across this morass of administrative difficulty and to achieve the result which was intended by the Congress and the President.

H. R. 7830 is a simple bill with a simple object. It does not alter the policies of the United States in any respect. It merely makes a reasonable estimate of the amounts which might be recovered, after long administrative procedures, by successor organizations, and allocates that sum as a bulk settlement of those numerous individual claims. The successor organizations would receive the amount of this estimate and would in turn release their claims to thousands of bits and pieces of property. The Office of Alien Property would be relieved of a burden which can only clog its machinery, and, most important, people who are now in need would receive some small measure of assistance while it is still possible to assist them.

A JC Gen 10 = 347.17.18
Box 275
File US Heirloo Property

January 23, 1958

Mr. Saul Kagan
Hotel Excelsior
Rome, Italy

Dear Saul:

The ICA tells me that Mr. Saccio thinks the counterpart proposal is out in the absence of new legislation.

I am seeking a conference with Saccio. I have also drafted a strong letter from Javits. Ives has merely passed Dr. Jellinek's letter on to the State Department.

I hope that some Connecticut friends will explain to Saccio the error of his ways. Both Bob Eichholz and Ted Tannenwald, both former general counsels of MSA, thought the statute was no barrier.

I also enclose copy of a self-explanatory letter to Monroe Goldwater. I talked with Murray Gurfein the other day, and sent him some old -- and some new -- material.

I hope Rome is more successful than Washington.

Best regards,

Seymour J. Rubin

CC: Mr. Kagan's office in New York
✓ Dr. Hevesi

337917

Enclosure

AJC Gen 10 - 347.17.10
Box 275 File US Heirless Property

January 23, 1958

Monroe Goldwater, Esquire
Chairman, Jewish Restitution Successor Organization
60 East 42nd Street
New York 17, New York

Dear Monroe:

As you know, the Office of Alien Property has been examining our claims, and, under our agreement with them, we have been assenting to withdrawal of those in which it affirmatively appears from their records that we have no valid claim.

The question is now raised as to those cases in which their files show that the vestee himself was alive as of a recent date. Conceivably, under the statute, which requires "no reasonable doubt that the former owner is dead", we could claim in the situation in which the former owner is now alive, but dies before the claim comes on for hearing. The question is whether we assent to withdrawal in the cases where the last information, fairly recent, is that he is alive.

The OAP tells me that this question involves a relatively small number of claims, and that the amounts involved are relatively small. They can, of course, proceed by getting a certification that the person is now alive, and then moving for summary dismissal.

I have no desire to cause OAP unnecessary work. I also want to preserve all possible assets for the JRSO, given the question whether -- unless we get firm support for the proposed legislation, in accordance with previous assurances to Nathaniel Goldstein and others -- a "bulk" settlement will be possible.

Would you please give me your thoughts on this? My own feeling is that we should agree to withdrawal where (1) it is indicated that the former owner was alive as of mid-1957, (2) there is no indication that he has since then died, and (3) the apparent value of the claim is less than $1,000.

Best regards,

Seymour J. Rubin

CC: Mr. Kagan (Rome and New York
Dr. Hevesi

337918

AJC Gen. 10-347.17.10
Box 275 File U.S. Heirless Assets

Dr. Hevesi

January 23, 1958

Mr. Arthur Schor
Chief, Claims Section
Office of Alien Property
Department of Justice
Washington 25, D. C.

Dear Mr. Schor:

I refer to your letters of January 21, 1958, dealing with certain JRSO claims, and refer particularly to JRSO claim no. 138 (stated that records reflect the existence of a cousin who successfully prosecuted a claim for the return of other property; no claim filed for Mrs. Bender's share); JRSO claim no. 190 (vestee survived by various relatives who have filed claims for properties, it not being specified whether the property subject of the JRSO claim is included in such other claims); JRSO claim no. 352 (vestee dead, but survived by daughter who has filed claim no. 64446, it not being specified whether this latter claim is for the property subject of the JRSO claim); JRSO claim no. 239 (no knowledge that vestee is alive, but survived by a sister and nephew; no claim filed by such relatives); and JRSO claim no. 680 (vestee dead, but survived by a widow who has not filed a claim).

I draw your attention to the provisions of Section 32 (h) of the Trading With the Enemy Act, as amended, which provides, in relevant part: "An organization so designated shall be deemed a successor in interest by operation of law .... Return may be made, to an organization so designated, (a) before the expiration of two years from the date of the vesting of the property or interest in question, if the President ... determines ... that there is no basis for reasonable doubt that the former owner is dead and is survived by no person eligible under section 32 to claim as successor in interest by inheritance, devise, or bequest; and (b) after the expiration of such time, if no claim for the return of the property or interest is pending." (Emphasis added)

In JRSO claims 138, 239 and 680, it affirmatively appears from your reference letters that the requirements of Section 32 (h) (b), as above quoted, are met, and that return should therefore be made to the JRSO.

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AJC Gen-10 347.17.10
Box 275 File 50-54

THE AMERICAN JEWISH COMMITTEE

MEMORANDUM

RESTITUTION
(Germany)

To Dr. Slawson

Date October 9, 1947

From Dr. Hevesi

Subject The impending meeting between Gen. Clay and the five Jewish organizations

1. Antecendents

In February 1947, the Jewish organizations accepted the suggestion of the U.S. authorities that the enactment of the draft restitution law for the U.S. Zone in Germany be postponed by 60 days so as to give Gen. Clay an opportunity to achieve full inter-Allied (quadripartite) agreement on restitution in all Germany. The acquiescence of the Jewish organizations in this further delay was due to the insistence of the authorities upon avoiding unilateral action unwelcome to the other Allied powers, and also to the consideration that only some 20% of the confiscated Jewish property is located in the U.S. Zone (an estimated 30% is in the British Zone, 35% in Berlin, and the rest in the French and Soviet Zones.)

In conjunction with this agreement, Gen. Clay expressly committed himself to proceed with the unilateral enactment of the zonal law if by the end of the 60 days' period no prospect for quadripartite enactment of a uniform restitution law for all Germany materialized.

After more than a 120 days (instead of 60) went by without any progress in inter-Allied discussions, on August 8, 1947, Gen. Hilldring, then Assistant Secretary of State for Occupied Areas, invited the five organizations to agree to another delay until October 1, 1947, during which a final effort to reach quadripartite agreement would be made by Gen. Clay. The Jewish organizations accepted this postponement with great reluctance, and only under the condition that October 1, 1947 was expressly recognized as the final target date either for quadrilateral agreement, or, as desired by the Jewish organizations, for independent enactment in the U.S. Zone of the draft law worked out in agreement with them. This zonal draft law was, with the exception of some features, subject to enactment by supplementary U.S. executive decree, approved also by the German Laenderrat for the U.S. Zone.

By insisting upon one-sided enactment in the U.S. Zone alone, they may have jeopardized, at least to some extent and for some time, the fate of 80% of Jewish property domiciled outside of the U.S. Zone. By abandoning altogether their insistence upon unilateral U.S. zonal action, they would have signed a carte blanche, enabling the four powers to negotiate an entirely new statute, without an opportunity for the five Jewish organizations to have some influence upon its formulation, but with ample opportunity for the official negotiators to inject into the law provisions reflecting the growing trend of supporting German as against Jewish interests.

In this race for German friendship the Soviet Union has been and still is the pacemaker by its insistence upon the escheat of all heirless property to the German Laender, and its refusal to recognize the power of victims of persecution

337920

to avoid transactions entered into by them under a general state of duress. They insist on full proof of direct duress in every individual case. The French position has not been very far from that of the Soviets. Until the end of July, the British authorities indicated unwillingness to accept most of the basic provisions of the American draft law. In August, however, under the effect of their difficulties in Palestine, they suddenly cancelled their agreement. This was the situation in August, at the moment the October 1, target date was agreed upon.

On September 29, the five organizations received word from Judge Levinthal that the efforts to reach inter-Allied agreement (even with the British) "seemed hopeless," and that, therefore, Gen. Clay, "reluctantly and against his better judgment" promised Judge Levinthal "unilateral enactment in the U.S. Zone" alone.

On the same day, a few hours later, Mr. Mason reported from Berlin that this was not so because at a last minute U.S. - British meeting agreement was reached with the British on all issues connected with a bi-lateral law, with the exception of the question of the successor organization for heirless, unclaimed and communal property which the British wanted to have created within German jurisdiction, and in a manner permitting each Zone Commander to constitute the agency according to his free will in his own zone. Agreement on this point would have meant the elimination of the Jewish Restitution Commission.

While it seems that the U.S. negotiators did not yield to this British demand, they did definitely yield to the second major British condition, namely the limitation of the power of avoidance of persecutee claimants to transactions entered into after the enactment of the Nuremberg Laws in 1935. As a result, transactions made between 1933 and 1935 would not be protected by the power of avoidance.

The most important set-back was represented, however, by the fact that the U.S. - British negotiations had not been conducted on the basis of the U.S. zonal law but on the basis of a new draft, unknown to the Jewish organizations, and prepared for use in the previous quadripartite negotiations. According to Mr. Mason, it is "badly drawn in many respects, and will have to be implemented in many ways." It is obvious that final U.S. - British agreement on such a basis would have meant a grossly unsatisfactory solution from the Jewish point of view.

Fortunately, on October 1, the British informed Gen. Clay that they could not, on their part, give final clearance to this bi-zonal law in less than three weeks. Gen. Clay thereupon declared that he would not wait any longer and that the unilateral U.S. law would be promulgated. At the same time, he overruled the insistence of Mr. Ball, head of the U.S. Finance Division in Germany, that the U.S. - British bi-zonal draft serve as basis for the U.S. zonal law, instead of the original American draft as approved by the Laenderrat. He approved, however, of the inclusion of the shifting of the starting date of the power of avoidance from 1933 to 1935. He also accepted Mr. Ball's suggestion that the Laenderrat should be asked whether it was prepared to enact immediately the draft approved by them as a German law, with the understanding that in the negative case a military government law will be issued.

As matters stand today, it may be said that inspite of his manifest preference for a quadripartite solution which would have exempted the U.S. from the effect of certain political complications in Germany and with the other Allies,

Gen. Clay, in the end, took the decision which is favourable to Jewish interests. It is obvious that a satisfactory law in the U.S. Zone represents a level below which at least the British cannot go too far in their own decisions.

2. Problems of Implementation to be Discussed with Gen. Clay

a. The designation of the Jewish Restitution Commission as a successor organization.

This objective must be achieved in the course of the interview with the General. It is also desirable to request that the order designating the Jewish Restitution Commission provide for its attachment to the Army (with the necessary facilities for functioning assured), and for its access to all documents bearing on restitution. Mr. Mason suggests, furthermore, that under military laws a general license be given the Jewish Restitution Commission authorizing it to receive the assignment of, and to prosecute, claims of living claimants, automatically freeing from property control properties restituted under the law. (This suggestion is motivated by Mr. Ball's intent to include in the final text a proviso banning assignments to the successor organization for heirless property. Mr. Ball is invariably and viciously opposed to the recognition of the Jewish successor organization, and this point of view of his is represented by Mr. Bennett who has accompanied the General to the U.S., and who is his chief advisor here on these matters. These gentlemen are advocating a non-denominational organization. Their opposition to assignments is motivated by the baseless argument that the Jewish Restitution Commission would buy up thousands of claims from refugees. [This would mean that the JDC would give dollars for frozen marks!]) All this seems to indicate the need of the suggested licensing. It may be indicated also to point out to the General, the unfriendly attitude of the Finance Division.

b. Refund of consideration received by claimants of restitution.

Mr. Ball's position is that the final law should provide that considerations received by persecutee sellers in hard currencies should be paid back in dollars to the holders of property. Since the General may be inclined to accept this proposal under the prompting of his ambition of easing the financial burden of the U.S. in Germany, it will be necessary to convince him that this would frustrate restitution, and to win him over to the position that the refund be made exclusively in Marks gained from the claimants' own unblocked funds or through the clearing fund.

c. Central filing agency.

Such an agency should be set up for the filing of restitution claims. The Jewish successor organization should be authorized to keep tabs on the registered claims.

d. Regulation of claims filed by others than the original persecutee.

These claimants (testamentary heirs, interstate successors or assignees) should be held to furnish full prooof of their title. This is all the more important as, upon Mr. Ball's insistence there will be no limitation to the right of inheritance at any

degree of succession, a circumstance which will drastically reduce the scope of heirless property.

e. Jurisdiction.

In accordance with Gen. Clay's promise made to the Jewish organizations in November, 1946, a U.S. Board of Review should be established in the Legal Division of the Military Government. It should appoint Proctors for the effective supervision of the German Restitution Authorities.

In the Restitution Chambers, the persecutee judge should be selected from the same group of victims to which the claimant belonged.

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These are the major points to be discussed with the General. The list may be extended, while some points may be omitted for later presentation. The technicians of the five organizations are in process of preparing the necessary memoranda, and of devising the strategy of discussion. It is deemed necessary that before the meeting with the General on Tuesday or Wednesday afternoon (October 14 or 15) in Washington, the leaders of the five organizations meet with the technical group for discussing the procedure.

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The Laenderrat's answer to the invitation to enact the zonal law may be so delayed as to coincide with the time of the now extant British clearance of the bad-bi-zonal draft. In this way, the undesirable bi-zonal solution may re-emerge. It would be desirable to make sure with the General that there will be no more deviation from his latest decision to act unilaterally.

AJC Gen. 10 347.17.10
Box 275

Trans - m
CR Isenbergh
CR Rubin
CR Trading with the Enemy Act

REST

DEC 15 1948

December 13, 1948

TO: Seymour J. Rubin

FROM: Max Isenbergh

SUBJECT: Your memorandum of December 8th on proposed amendment to Section 34 of the Trading with the Enemy Act.

On the merits of your proposal, I am of course in complete accord. With respect to the drafting, I stifle my impulses, first because I am hastily preparing to leave for Germany, and second because I think you should very thoroughly confer informally with James Morrisson of the Department of Justice, who is now the senior expert on Trading-With-the-Enemy-Act jargon. One thing I shall mention however, is that instead of referring to "victims of political, racial or religious persecution," it might be preferable to refer to "persons eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a) (2) hereof." (The latter is the formula used in S 2764.)

You should also know about my experience in this field last spring. When the omnibus bill on war claims (I cannot recall the number) was under discussion in the Senate, the Senate subcommittee, of which Senator Cooper was chairman, proposed to narrow the present categories of persons eligible as debt claimants under Section 34. Indeed, the subcommittee had emerged with a draft which withdrew the privilege from the presently eligible category of "natural persons who are and have been since the beginning of the war residents of the United States." Even Senator Cooper, who gave me every impression of having a sympathetic attitude, was very slow to accept my pleas that the proposed deletion should not be made.

I tell you this because, unless you think you will find a more sympathetic attitude, you may decide it would be better not to invite reconsideration of Section 34. Possibly, instead of accepting your recommendation for enlarging the class of eligibles, some Congressman may take the occasion to press again for the restriction which was advocated last spring. On this issue, too, of course, you can depend upon good advice from James Morrisson.

MIFRS

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C.C. - Foreign Affairs Department

Cable Address: JOINTDISCO
LExington 2-5200

AJC Gen 10 347/0/7010 Box 275 File-US Heirless Assoc (US-HEIRLESS)

Jewish Restitution Successor Organization

270 MADISON AVENUE
New York 16, N. Y.

February 11, 1958

MEMORANDUM

TO: Dr. Eugene Hevesi
Dr. Nehemiah Robinson
Dr. Simon Segal

FROM: Saul Kagan

Enclosed please find the text of the proposed statement by Mr. Goldwater for the hearings on the Heirless Property Bill which are scheduled for February 20th. Our Bill H. R. 7830 will be taken up by the Subcommittee on Commerce and Finance of the House Committee on Interstate and Foreign Commerce.

I would appreciate it very much if statements could be sent by the American Jewish Committee and the American Jewish Congress in support of this Bill. I assume that you will take proper care to make sure that the letters from the respective organizations do not follow too closely the text of the proposed statement by Mr. Goldwater. I hope very much that you will be able to arrange that the respective statements are sent out before the end of this week. I would appreciate it if copies could be sent to Seymour Rubin and to me for our records.

Saul Kagan

Encl.

STATEMENT OF MONROE GOLDWATER

My name is Monroe Goldwater. I am a member of the law firm of Goldwater and Flynn, 60 East 42nd Street, New York 17, New York, and I am Chairman of the Board of Directors of the Jewish Restitution Successor Organization. The Jewish Restitution Successor Organization, which I shall refer to hereinafter as the JRSO, is a New York charitable membership corporation. The JRSO strongly urges the prompt enactment of H. R. 7830.

The background of H. R. 7830 and the reasons why it is legislation which is necessary and is strongly in the public interest are as follows.

The JRSO was designated by President Eisenhower as the organization to file claims under Public Law 626. Under the provisions of that act, which had widespread bipartisan support in both houses of Congress, it was contemplated that claims would be filed by a successor organization or successor organizations, and that on the basis of these claims returns would be made of unclaimed or heirless property vested by the Alien Property Custodian, with the proceeds of such property being used for the relief and rehabilitation of needy persecutees now in the United States. It was contemplated, as is evident from the Committee reports upon which Public Law 626 was based, that the procedures of that law would result in substantial sums -- a top limit of $3 million being set -- being quickly put to use for these rehabilitation and relief purposes. Numerous safeguards were placed around the law to ensure that all proceeds of this property would be devoted to this relief activity.

It has become apparent, however, during the course of experience in the last two years that the procedures of Public Law 626 placed an untoward and almost impossible administrative burden on both the successor organization designated by the President, and on the agency of the United States Government having most to do with the carrying out of this program -- that is, the Office of Alien Property. The reason for this administrative burden is inherent in the type of claims filed by the successor organization. By definition, those claims are filed to property which belonged to persons who died in

concentration camps without heirs; and, of necessity, documentation is almost completely absent. Secondly, there are numerous claims in which amounts are small and problems of proof are great. Thus, the individual processing of some thousands of claims has proved to be a time consuming, expensive and frustrating task for those charged with the carrying out of the commendable purposes of Public Law 626.

It is noteworthy that there are substantial assets subject to claims of the JRSO as to which the facts are beyond the knowledge of any persons who can be found. These are cases in which the presumption is very great that they involve very substantial heirless assets, but as to which proof is difficult to adduce. I do not speak in this connection of the thousands of cases in which addresses are unknown and in which people are in areas to which access is impossible, as to which facts of all sorts are beyond the reach of private or governmental agencies in the United States. I may point out, rather, that there are some millions of dollars which have been vested by the Office of Alien Property, which were taken by the United States Army in Germany and which were turned over to the Office of Alien Property to be vested. These amounts were taken out of banks in Germany where no records existed as to who the true owners of these funds were. They were undoubtedly funds which had been destined for the secret coffers of the Nazi party or Nazi officials, and the circumstances very strongly suggest that they were currencies confiscated from Jews as to which no accounting was ever given or intended. The very fact that claimants have not appeared for these funds is the strongest of indications that at least in substantial amount these funds belonged to persons who could not press any claims because they were killed in the Nazi concentration camps and whose small hoards of dollar funds put together came to several millions of dollars. There are, in addition, claims to properties which are subject to certain conflicting claims. For example, the Office of Alien Property has vested diamonds in the amount of somewhere upward of a million dollars which came from German sources and which, in view of the JRSO, almost certainly were part of the loot taken by the Nazis from German Jews.

These diamonds passed through the hands of the so-called Diamant-Kontor, as to which a United States Military Government report itself states, substantially contemporaneously, that it was formed exclusively to handle diamonds taken from Jewish persecutees. These are categories of cases in which proofs are very difficult, although I do have here and can submit the brief of the JRSO with respect to the diamonds in question. Absolute proofs of the sort which might be required in normal circumstances are obviously next to impossible in the situation with which we are dealing, and even if such proofs were to be attempted it would be years before evidence could be assembled, hearings could be held, and decisions on these claims could be made.

It has been the assumption of the JRSO that the Congress in passing Public Law 626, and the President in both signing the bill and designating the JRSO as successor organization, intended in fact to have monies made available for the relief of needy surviving persecutees in the U.S. We do not assume that the Congress intended Public Law 626 to empty legislation or that it was intended to raise the hopes of those who are interested in the welfare of these persecutees only to have those hopes dashed against a wall of administrative frustration. It is for these reasons that we strongly support H. R. 7830, a bill which is designed to cut across this morass of administrative difficulty and to achieve the result which was intended by the Congress and the President.

H. R. 7830 is a simple bill with a simple object. It does not alter the policies of the United States in any respect. It merely makes a reasonable estimate of the amounts which might be recovered, after long administrative procedures, by successor organizations, and allocates that sum as a bulk settlement of those numerous individual claims. The successor organizations would receive the amount of this estimate and would in turn release their claims to thousands of bits and pieces of property. The Office of Alien Property would be relieved of a burden which can only clog its machinery, and, most important, people who are now in need would receive some small measure of assistance while it is still possible to assist them.

Additionally, H. R. 7830 would make it possible for non-Jewish organizations to receive a fair portion of this bulk settlement. The amounts which could be claimed by such organizations were so small and the administrative problems so great, that none of these organizations has asked to be designated under Public Law 626. This is not to say, however, that they should not have a claim, and H. R. 7830 recognizes that they should not be barred merely by the administrative problems which I have pointed out.

I may say also that the bill which is now under consideration -- H. R. 7830 -- is supported by all of the public-minded organizations to whose attention it has come. It is reasonable that it should be so supported, since it is designed not only to carry out a humanitarian objective but to implement legislation of the humanitarian nature which is already part of the statute law of the United States. Not to pass this bill would be to negate the intention of the Congress in enacting what is now Section 32 (h) of the Trading With the Enemy Act, and it would be to take back for reason of administrative burdens and complexity that which the Congress obviously intended to be made available to the surviving and needy victims in the United States of Nazi persecution.