

YIVO

RG J 47 7 1 } BOX 149 FILE #9

AJC 7A01

WAR CLAIMS, U.S.

March 11, 1968

MAR 12 1968

(FAD=Frngn Affrs Dept)

YIV 0 26347.7.1

BOX 144 FILE #9

AJC FAD 1

War Claims, US

To the Editor of the New York Times:

Our Conference, representing a great number of the largest minority organizations, was approached by persons belonging to our particular organizations, calling our attention to a situation which they feel reflects discrimination and great injustice against them, and urging us to call it to public attention.

During the last 7 years an omnibus bill concerning foreign claims legislation was first introduced in the Senate, and then, when the House Committee did not act on it, the administration reintroduced a bill, known as HR 9063, in the House of Representatives, where the House Foreign Affairs Sub-Committee on Europe recommended that the provision concerning distribution of the Italian Claims Fund be stricken out.

The Senate Foreign Relations Committee did not accept such changes and twice the bill passed in the Senate without the changes proposed in the House; but the House Foreign Affairs Sub-Committee did not bring the matter during the last session to a joint conference, and no joint conference was held; so that the holders of awards against Rumania and Bulgaria, and also claimants against Italy, cannot get payment, although the respective funds have been in the Treasury for years without any interest due on them.. Also, since Congress passed a law, 604-85 in 1958, over one million dollars of Italian money remains unused, so that not only those who were entitled by this law, but also many who are American citizens for 30 and 40 years who because of certain circumstances did not know of the damage to their property, remain unpaid.

The Senate corrected this situation in the last session and sent the bill back to the House, where it has been sitting ever since, awaiting some action on the part of the House leadership. Senator William J. Fulbright, Chairman of the Senate Foreign Relations Committee, wrote Edne Kelly, Chairman of the House Sub-Committee, on December 1, 1967, stating the background of the Senate's position, with a view to expediting action on the legislation, but has received no reply.

The people who would be benefited by the legislation, and who have been waiting since the end of World War II for compensation, are aging and will be beyond help before long. Still the House of Representatives does nothing. There is no reason for this, and the interested parties ask, rightfully, why no justice is done, and why the House cannot adopt the bill as it passed the Senate, as recommended by the Department of State and by the Foreign Claims Settlement Commission - and why this legislation, HR 9063, is still lying on the desk of the Clerk of the House, while the funds for the Rumanian, Bulgarian awardees, and the Italian claimants, remain with the Treasury Department for so many years, unused.

NATIONAL CONFERENCE FOR EQUALITY UNDER CLAIMS LEGISLATION,
consisting of:

American Association of Former Austrian Jurists
American Federation of Jews from Central Europe
American Jewish Committee
American Jewish Congress
American Yugoslav Claims Committee
Association of Czechoslovak Jews
Association of Former Combattants of Drazza Mihailovic
Association of Former European Jurists

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To Editor New York Times .

-2-

March 11, 1968

Association of Yugoslav Jews
Bulgerian Claims Committee
Club of Polish Jews
Conference of Americans of Central Eastern European Descent
Coordinating Committee of Nazi Victims Organizations
World Federation of Hungarian Jews

337952

1100 RG 347.71 REST & INDEMN
Box 144 File 9
MAR 4 1968 CLAIMS
War Claims, US
American Jewish Committee
FAD 1

Memorandum

THE AMERICAN JEWISH COMMITTEE

date March 1, 1968
to ~~Jerry Goodman~~
from Ed Lukas
subject (Nat'l Conference for Equality Under Claims Legislation)

I am just getting around to reading your memorandum of February 13, relative to the subject of Paul Neuberger's letter to you respecting the Claims Conference.

Unless the United States Court rejects the new legislative reapportionment and re-districting plan for New York State, it would appear that the New York State Legislature rendered a signal service to the Claims Conference (without realizing it) by re-distributing Congresswoman Edna Kelly's congressional district.

Let's see what the Court does with the plan.

EJL:mc
cc: Hyman Bookbinder

YIVO RG 347.7.1
Box 144 File 9
War Claims, US
American Jewish Committee
FAD 1

February 13, 1968

Ed Lukas, Israel Laster
Jerry Goodman'

National Conference for Equality Under Claims
Legislation

Attached is a copy of a letter from Paul Neuberger, a lawyer who serves as chairman of the Conference. We are, of course, members of the group which has been trying for years to effect changes in law or procedure in order to adjust present claims laws. While I do not see much hope for this overall problem, I wonder if we can be of any help in the particular instance concerning the Italian claims program. If H.R. 9063 were approved, it might then begin to set a precedent for the larger problems of adjusting claims of those who became nationals after the losses of properties in Europe. I believe the attached is self-explanatory and I hope we can suggest someone to contact Congresswoman Kelly.

Encl.

cc: Hyman Bookbinder
JG:MS

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National Conference for Equality Under Claims Legislation

YIVO RG 347.7.1
Box 144 File 9
WPA Claims US
AJC FAD I

American Jewish Committee
16 West 46th Street • New York, N. Y. 10036 • JU 6-4146

(FAD+ Foreign Affairs Dept.)

February 5, 1968

MEMBERS*

AMERICAN ASSOCIATION OF
FORMER AUSTRIAN JURISTS
AMERICAN FEDERATION OF
JEWS FROM CENTRAL EUROPE
AMERICAN JEWISH COMMITTEE
AMERICAN JEWISH CONGRESS
AMERICAN YUGOSLAV
CLAIMS COMMITTEE
ASSOCIATION OF
CZECHOSLOVAK JEWS
ASSOCIATION OF FORMER
COMBATANTS OF
DRAZA MIHAILOVIC
ASSOCIATION OF FORMER
EUROPEAN JURISTS
ASSOCIATION OF YUGOSLAV JEWS
BULGARIAN CLAIMS COMMITTEE
CLUB OF POLISH JEWS
CONFERENCE OF AMERICANS
OF CENTRAL EASTERN
EUROPEAN DESCENT
COORDINATING COMMITTEE OF
NAZI VICTIMS ORGANIZATIONS
WORLD FEDERATION OF
HUNGARIAN JEWS

Mr. Jerry Goodman
% American Jewish Committee
165 East 56th Street
New York, N. Y.

Dear Jerry:

I have not heard from you for a long time and I am looking forward to meeting you again for a little chat some time at your convenience.

In connection with this Conference I wish to advise you that the one matter where we could push the quest for equality under claims legislation is Bill HR 9063, specifically with regard to the American claimants against Italy who should receive compensation out of the balance of the Italian Claims Fund, being legally entitled thereto on the basis of Public Law 85-604.

Congresswoman Edna F. Kelly, during these past two Sessions, has consistently obstructed the enactment of the respective provision in said Bill HR 9063, and she succeeded in pushing through her recommendation in the House of Representatives to delete this provision from the Bill, although the Senate unanimously approved the original text, as well as the Foreign Claims Settlement Commission, and even the Department of State, although reluctantly, as you will see from the letter to Senator Williams, a copy of which is enclosed herewith.

The matter should have come before a joint congressional conference during the last Session, but Mrs. Kelly sabotaged this, holding the matter back with the intention of exerting some pressure upon the Senate to accept her version, just so the Omnibus Bill (HR 9063) which also contains provisions regarding Bulgaria, Rumania, etc, will go through.

I consider the attitude of Congresswoman Kelly highly arbitrary and improper.

It has been suggested to me that the only way to get this matter moving would be that some protests are

* information

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Page 2 -

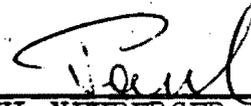
Mr. Jerry Goodman

lodged with Mrs. Kelly from her own constituents, or by some clubs or organizations in her district. I enclose herewith a draft for such a protest letter which is not, in any way, aggressive, and I would appreciate it, if the American Jewish Committee has a Chapter in Brooklyn, 12th District, that you have them write such a letter, or if you were to get some prominent persons in her district to do so. I am enclosing herewith the geographical location of her district.

I am sending a copy of this letter to Kurt. Perhaps we can find a way to put an end to this obstruction of justice.

I would appreciate hearing from you and to receive your opinion on this matter, and remain with kindest personal regards,

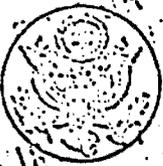
Sincerely yours,



PAUL NEUBERGER

PN:AM
Enc.

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DEPARTMENT OF STATE

Washington, D.C. 20520

NOVEMBER 15, 1967

Honorable Harrison A. Williams, Jr.
United States Senate
Washington, D. C. 20510

Dear Senator Williams:

I have received your communication of November 1 concerning a letter to you from Mr. Joseph de Polo, which transmitted a copy of Mr. de Polo's letter to Senator Fulbright. Mr. de Polo's letter to Senator Fulbright expresses his opposition to action taken by the House Committee on Foreign Affairs with regard to H. R. 9063, a bill "To amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals, and for other purposes."

Mr. de Polo is concerned with the Committee's amendment to the bill which struck out a proposed new subsection (b) to Section 304 of title III of the Act. If enacted, this subsection would authorize the Foreign Claims Settlement Commission to reopen the Italian claims program to permit the filing of claims by persons suffering loss or damage as a result of the Italian Government's actions during World War II in cases where those persons became United States nationals by August 9, 1955. Participation in the Italian claims program had previously been limited to persons who were United States nationals at the time of the loss or damage. The Committee deleted this provision because it did not accord with the established rule of international law that a State may not seek compensation from another State on behalf of persons who were not its nationals at the time of loss.

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The Department of State has regularly opposed permitting persons who acquired United States nationality after the date of their loss or damage to share in lump sum claims settlements because of the rule of international law cited by the Committee. It did not oppose the provision in H.R. 9063 because of special circumstances usually not present: all valid claims in the Italian claims program which belonged to persons who were United States nationals at the time of loss or damage had been fully paid, and funds remained in the Italian claims fund.

The Department of State favors the adoption of H.R. 9063 as originally submitted to Congress by the Executive Branch.

I hope this information will be of assistance in answering Mr. de Polo's inquiry.

Sincerely yours,



William B. Macomber, Jr.
Assistant Secretary for
Congressional Relations

Enclosure:

Correspondence returned

Dated:

Hon. Edna F. Kelly
House of Representatives
House Office Building
Washington, D. C.

Dear Mrs. Kelly:

As one of your constituents I have been rather distressed to learn from some of my friends who are awaiting the passage of Bill H.R. 9063 in order to receive payment, that the said Bill has not yet been considered by the House after its passage by the Senate last month.

I understand there is a question regarding the payment of certain Americans who became citizens after they suffered a loss, but that the State Department and the commission which handles these claims have both recommended a provision to take care of these people.

I cannot understand why, since Congress once established a precedent to do this under the Italian Claims Program, and this money is not taxpayers' funds but the funds of the Government of Italy, this should be an issue on which the entire Bill should hinge.

I understand that you are Chairman of a subcommittee which handled this Bill in the House, and I would very much like to know why the Senate form of the Bill cannot be passed without doing violence to basic principles, since this is a special situation which has already been the subject of legislation ten years ago and will not establish any precedent with respect to any other fund.

I would also very much appreciate hearing from you what you feel we, as your constituents, can do to assist in the passage of this legislation, so that, after all these years, those of us of Rumanian, Bulgarian and Italian origin can at last be compensated.

Respectfully yours,

337959

DESCRIPTION OF THE
T W E L F T H DISTRICT
KINGS COUNTY * NEW YORK

That part of the Borough of Brooklyn beginning at a point where 23rd Avenue, Avenue M, and Dahill Road intersect, thence northerly along Dahill Road to 58th Street, to 18th Avenue, to 59th Street, to Fort Hamilton Parkway, to 51st Street, to 8th Avenue, to 37th Street, to Fort Hamilton Parkway, to McDonald Avenue (Gravesend Avenue), to Greenwood Avenue, to Prospect Park Southwest, to Parkside Avenue, to Ocean Avenue, to Washington Avenue, to Eastern Parkway, to Underhill Avenue, to Prospect Place, to Vanderbilt Avenue, to Atlantic Avenue, to Cumberland Street, to Green Avenue, to Vanderbilt Avenue, to Gates Avenue, to Washington Avenue, to Lafayette Avenue, to Bedford Avenue, to Monroe Street, to Marcy Avenue, to Fulton Street, to Brooklyn Avenue, to Atlantic Avenue, to Kingston Avenue, to St. Johns Place, to Albany Avenue, to Eastern Parkway, to Troy Avenue, to Empire Boulevard, to Albany Avenue, to East New York Avenue, to Troy Avenue, to Lefferts Avenue, to Schenectady Avenue, to Winthrop Street, to Utica Avenue, to Lenox Road, to East 52nd Street, to Linden Boulevard, to East 53rd Street, to Church Avenue, to Schenectady Avenue, to Cortelyou Road, to Canarsie Avenue, to Tilden Avenue, to Flatbush Avenue, to Beverly Road, to Coney Island Avenue, to Ditmas Avenue, to Flatbush Avenue, to Newkirk Avenue, to Brooklyn Avenue, to Foster Avenue, to East 37th Street, to Farragut Road, thence westerly to Flatbush Avenue, to Glenwood Road, to Nostrand Avenue, to Avenue K, to East 15th Street, to Avenue L, to Coney Island Avenue, to Avenue K, to East 9th Street, to Avenue M, thence westerly to the place of beginning.

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YIVO Documents

YIVO stands for Yiddish Scientific Institute

YIVO RG 347.7

American Jewish Committee

Initials in description of source of documents:

EXO = unknown

FAD = Foreign Affairs Department

GEN = General

(FAD=Foreign Affairs Department
of the American Jewish Committee)

Austrian Persecution

YIVO 26347-3

Am Jew. Com. (FAD 41-46)

Box 1, File 7
2

CONFIDENTIAL

MINUTES

Meeting of Organizations Cooperating
on Austrian Problems

DEC 9 1952

Friday, December 5th, 1952

Present: Col. Bernard Bernstein
Mr. Frank Goldman
Mr. Abraham Glovsky
Dr. Eugene Hevesi
Mr. Moses A. Leavitt
Dr. Nehemiah Robinson
Mr. Saul Kagan

CONFIDENTIAL

Dr. Israel Goldstein and Mr. Adolph Held had called to express their regrets at being unable to attend the meeting. Dr. Nahum Goldmann and Mr. Marcel Franco had not yet returned from abroad.

The first item on the agenda referred to the meeting with the Department of State on November 25, 1952. Mr. Kagan referred to the written report which had been circulated. In summary, he pointed out that this meeting had been on a staff level, with the individuals directly handling the matter. The Department representatives had reaffirmed that the position of the U.S. on Jewish claims against Austria would continue unchanged. The representatives of the organizations urged that the Department request the Austrian leaders to keep this issue out of the forthcoming elections and to take all necessary action, right after elections, to initiate discussions with the Jewish groups. They pointed out that regardless of the outcome of the elections, the basic composition of the Government would remain the same. The Department representatives again urged the organizations not to highlight the issue publicly at the present time, since they felt that such a move would have no practical effect and would only benefit the neo-Nazi party in the forthcoming elections. The Department agreed to initiate steps to secure a commitment from the party leaders and had instructed the people in Vienna to this effect, unless they should have strong objections. According to information received from the Department as late as yesterday, no objections have as yet been received from Vienna, and it is therefore assumed that the U.S. High Commissioner's office is proceeding in accordance with the instructions. The Department again urged that this matter be treated as strictly confidential and be given no publicity whatever.

In the meantime the Austrian Foreign Minister Gruber had visited the Department and the Department had raised this problem with him. Gruber had stated that he was planning to meet with the organizations in order to "explain" to them the situation. The Department urged the organizations to meet with Gruber and even suggested that they take the initiative in promoting such a meeting. Mr. Kagan reported that he was in touch with the Austrian Consulate and expected to hear from them on Monday, December 8th, regarding a meeting with Gruber. It had

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been indicated that possibly Gruber would not meet with the organizations until after the Austrian issue had been taken up at the U.N. Dr. Hevesi felt that if at all possible the meeting should take place before the U.N. decision, although it was realized that if Gruber could not make it until later, this would have to be accepted. Mr. Leavitt felt that there was no real purpose in a meeting with Gruber, who would naturally be in no position to make any kind of commitment, but the organizations had no basis on which to refuse to meet with Gruber, even though it would merely be a formal meeting. Mr. Leavitt felt that it should be a small, top-level delegation. Mr. Goldman suggested that a date be set and a delegation be selected after the date were known. Mr. Kagan agreed to pursue the matter further with the Austrian Consulate and to advise the organizations after a date had been set. Mr. Kagan also reported that there would be a meeting between Gruber and Ambassador Eban.

The next issue for discussion involved the problem of representations with the U.N. Mr. Kagan reported that the representatives of the organizations had been attempting to meet with Mr. Eban, and that after much delay and difficulties of scheduling, caused by the debate on the Palestine issue, there had been a brief, informal meeting. It is the tentative position of the Israelis that, at the occasion of the U.N. debate on the Austrian issue, they will vote for the Austrian proposal but will make a statement deploring the lack of positive action by Austria in connection with the Jewish claims. The representatives of the organizations conveyed to Mr. Eban the views of the State Department in this connection. It was agreed that before the Israel statement would be made, there would be another meeting with the organizations, following the Eban-Gruber talk. While the Israelis realize that Gruber cannot make any commitments to them, they appreciate that this also places him in a position where he can resist Arab pressure on the ground that he cannot bind a caretaker government.

In the course of the discussions with Mr. Eban, the following suggestion developed. It would be important that, wherever Gruber went in the U.N., he encounter concern regarding the Jewish claims. The Israelis have very good connections with the Brazilian delegation, who are the sponsors of the Austrian motion, and it was suggested to alert a number of other delegations at the U.N., such as the Canadians, possibly the British and French, and some of the South American ones. Mr. Goldman stated that he knew Lester Pearson of Canada and might be able to mention this matter to him. It was felt that, as regards Mr. Pearson, it might be best if the approach were made through a Canadian organization and Mr. Leavitt stated that he would discuss it with Saul Hayes of the Canadian Jewish Congress. As regards the other delegations in question, it was decided to avoid the calling of any meetings of delegates, no matter how small or informal, since this might arouse counter-action by the Arabs. Rather various delegates would be contacted on an individual, informal basis. The organizations would work out some arrangement with the Israelis to determine who would make the various contacts. As regards connections with the British delegation, the Board of Deputies had stated that they would contact the Foreign Office. No word had been received as to whether this had been done and Mr. Kagan would check with Mr. Janner. As regards the French, Mr. Kagan suggested that the organizations check with Mr. Franco whether he had any contacts to individual members of the French delegation.

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In this connection Mr. Kagan reported that Gruber had not yet contacted Senator Lodge, who had been appointed by General Eisenhower as the next head of the U.S. Delegation to the U.N. It was likely, however, that Gruber would see him and it was felt that it would be helpful if Senator Lodge could be apprised of the Jewish problem and could mention it to Gruber, so that Gruber might feel that the next administration would continue the same line as pursued heretofore by the U.S. Government. Mr. Goldman pointed out that Mr. Glovsky was in a position to discuss the matter with him frankly. The meeting realized that Senator Lodge would not make any statement to Gruber on this issue unless he had cleared the matter first with Mr. Dulles, and that it was not certain whether such a comparatively minor issue would be discussed by them. However, they felt that it would certainly be a good thing to inform the Senator of this issue generally and that it would be very helpful if Mr. Glovsky would discuss it with him. Mr. Glovsky expressed his readiness to follow the suggestions of the organizations.

Mr. Kagan next reported on a letter received from Dr. George Weis, copy of which had previously been circulated. Dr. Weis had had a discussion with Dr. Maurer, the head of the Jewish community in Vienna, who is also an active member of the Socialist Party. According to Dr. Maurer, the Austrian Socialists had set up a committee to consider the Jewish demands and were planning to invite the community for discussions. He also understood that this committee would be prepared to negotiate with the community, but not with the foreign organizations. Dr. Weis had suggested to Dr. Maurer that he write to New York on the matter at once, but so far no letter from him had been received. Mr. Leavitt felt very strongly that the organizations should have no separate discussions with any of the political parties, since such steps could undermine the entire project. He felt that the Jewish community in Vienna, as part of the whole group, should also refrain from any such discussions, which would contravene the resolutions adopted in Salzburg by the Jewish Communities of Austria. It was decided that a letter should be written to Dr. Maurer, conveying this position. It was also felt to be desirable ^{to ascertain} whether the position of the Socialist Party as reported by Dr. Maurer is based on fact. Mr. Kagan had discussed the matter with Mr. Held, and Mr. Held had agreed to mention it to representatives of the Socialist Party who were expected to arrive shortly in New York in connection with the U.N. debate.

In this connection Mr. Kagan raised the entire issue of closer contact between the organizations and the Jewish community in Austria. It was the sense of the meeting that there is urgent need for effective liaison and that it would be best to have someone permanently in Vienna to do this job. It was also the sense of the meeting that this should be a person already on the spot and Mr. Ted Feder, the JDC representative, was suggested. Dr. Robinson requested that a decision on this point be deferred for a few days until he had cleared this matter with his organization. Mr. Kagan undertook to clear the matter with the organizations not represented at the meeting.

The last item on the agenda concerned the efforts of the KZ-American Association of Former Inmates of Concentration Camps, headed by Dr. Armand Eisler.

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As in the case of the negotiations with the Germans, Dr. Eisler is protesting the omission of his group from participation in the negotiations and charging that his group is truly representative of the Austrian persecutees and that the organizations now involved are not representing persecutee interests. Dr. Eisler has addressed memoranda to this effect to the Austrian government. This matter was brought to the attention of the organizations by the Jewish community in Vienna, to whom Dr. Eisler had sent copies of his correspondence with the Austrian authorities. The community did not reply to Dr. Eisler, pending the expression of the views of the organizations and characterized this action as an attempt to undermine the unity of the Jewish groups. This correspondence was also circulated among the organizations.

Unfortunately, Dr. Eisler's connections with the Austrians are better than with the Germans, and he has personal contacts to Figl, Schaerf, etc. Moreover, it is anticipated that the Austrians would welcome an excuse for further objections and delays. Mr. Leavitt felt, however, that nothing could be done with Dr. Eisler and stated that the information which was gathered at the time of the Hague negotiations indicated that this is a small and unrepresentative group. It is necessary, however, to speedily implement the earlier decision of the committee to include a representative of Austrian Jewish refugee organizations on the committee. Mr. Kagan reported that he had been advised by the Austrian groups here that they would appoint a Prof. Loewy. However, official notification of this designation was still pending until the appointment had been cleared with the Austrian groups in Israel.

337965

CONFIDENTIAL

*Austrian
Problems*

YIVO rg 347.7
American Jewish Cmtee
(Foreign Affairs Dept-41-46)
December 3rd, 1952
Box 1 File 2

MEMORANDUM

To: Organizations Cooperating on Austrian Problems

From: Saul Kagan

This will confirm that a meeting of the organizations cooperating on Austrian problems has been scheduled for Friday, December 5th, 1952, at 2:30 P.M., in the office of the Joint Distribution Committee, 270 Madison Avenue. The following agenda is proposed:

- 1) Report on the meeting with the State Department
- 2) Meeting with Dr. Gruber
- 3) Representations in the U.N.
- 4) Austrian Jewish Community
- 5) KZ American Association of Former Inmates of Concentration Camps and Other Victims of Nazi Persecution.

Enclosed please find the following material concerning the problems on the agenda:

- 1) Report on the meeting with the State Department
- 2) Letter from Dr. George Weis, dated November 19, 1952
- 3) Letter from Dr. Schaerf, dated November 13, 1952
- 4) Correspondence between the KZ American Association of Former Inmates of Concentration Camps and Dr. Maurer of the Jewish Community in Vienna and the Austrian Consulate in New York.

The attached material, particularly the report on the meeting with the State Department, should be considered as **STRICTLY CONFIDENTIAL**.

Saul Kagan
Saul Kagan

SK:AUN
Enc.

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MEMORANDUM

CONFIDENTIAL

Subject: Meeting at the State Department - November 25, 1952 - concerning the Austrian restitution and indemnification problems.

Present: Mr. Ridgeway Knight, Acting Director of the Office of Western European Affairs; Mr. Lansing Collins, chief of the Austro-Italian desk; Mr. Kennedy, political officer; Mr. Hans Land of the Office of the Legal Advisor

Dr. Eugene Hevesi, Mr. Saul Kagan, Dr. Nehemiah Robinson and Mr. Abba Schwartz

The meeting was called upon the request of the Jewish organizations to review the developments in Austria as they affect the settlement of outstanding restitution and indemnification problems. The representatives of the organizations indicated that to the best of their knowledge most of the members of the caretaker government felt - as late as three weeks ago - that an invitation to the organizations should be extended. However, it appears that Foreign Minister Gruber succeeded in persuading the Cabinet to defer an extension of an invitation until after the elections. It would appear that Dr. Gruber was primarily concerned about pacifying the Arab States whose support will be sought at the U.N. in connection with the resolution calling for the restoration of Austrian sovereignty.

The representatives of the organizations stated that regardless of the formal position taken by the caretaker government, the two political parties which governed Austria during the past several years will retain a majority in the new Parliament. These are the two parties which before the Cabinet crisis expressed their readiness to meet with representatives of the Jewish organizations. The organizations feel that it is imperative that a commitment be obtained from the leaders of the two political parties, Dr. Figl and Dr. Schaerf, to the effect that

- (1) the issue of the Jewish demands should be kept out of the current elections to avoid a race between the two parties for the Neo-Nazi votes based on a promise to abstain from improvements in the restitution and indemnification laws favoring persecutees.
- (2) the two parties would take the initiative to call for negotiations with the representatives of the Jewish organizations as soon as a new government is formed following the elections.

The representatives of the Department stated that even if one would accept the premise that the caretaker government is trying to avoid the issue, nevertheless, one cannot ignore the two factors of the forthcoming elections and the Austrian resolution before the U.N. The representatives of the Department reiterated their view that nothing overt should be done to highlight this issue before the elections. In the opinion of the Department the only party which would stand to benefit from a public discussion of this issue would be the VdU, which follows an anti-occupation, anti-persecutee course.

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-2-

The representatives of the organizations raised the question whether the Austrian Government has made any commitments to the Arabs which could later be used as a justification for refusing to meet with the Jewish organizations. This question was particularly pertinent in view of the report which appeared in the Austrian press to the effect that a diplomatic representative of an Arab State handed a note to the Austrian Government in which objections were raised against entering into negotiations with the Jewish world organizations regarding indemnification. According to this press report, the seven Arab States informed the Austrian Government that they would vote against Austria in the U.N. if there were discussions with the Jewish organizations. According to the same reports this diplomatic intervention was discussed by the Austrian Government, which agreed that at present no stand should be taken since the Government is represented by a transitional cabinet which cannot deal with this issue. According to the press, the decision on the possible negotiations was left to the future Cabinet.

The representatives of the Department stated that they had no knowledge of any commitment by the Austrians to the Arab States. It is the understanding of the Department that the Arab opposition is primarily directed against an agreement with Israel. The Arabs generally are unpredictable and could conceivably vote against the resolution, even if assured that Israel does not intend to advance collective recompense claims against Austria. In any event, however, the Department representatives did not feel that such a commitment would be of lasting value, as it would contravene the existing Control Council agreements and the Control Council policies concerning restitution and indemnification.

The representatives of the Department assured the organizations that the U.S. does not propose to let the Austrians lose this issue and that immediately following the Austrian elections the U.S. will press the new Austrian Government for affirmative action to reach a settlement with the representatives of the Jewish organizations. The representatives of the Department advised the organizations that they will endeavor in the shortest time possible to determine whether a confidential approach to the leaders of the two political parties could be undertaken in order to secure the commitment from the political parties sought by the organizations. This entire matter must be treated confidentially in order to avoid any publicity at this time.

The Department representatives indicated that they expect to meet with Dr. Gruber during his forthcoming visit in the States and they will again convey the concern of the U.S. Government about the issues of interest to the organizations. The organizations informed the Department that Dr. Gruber stated in Vienna that he intends to meet with the Jewish organizations in New York in order to explain to them the position of the Austrian Government.

337968

Letter from Dr. George Weis received November 24, 1952

AMERICAN JOINT DISTRIBUTION COMMITTEE
Vienna, Austria

Vienna, November 19, 1952.

Mr. Saul Kagan,
Jewish Restitution Successor Organization,
New York.

Dear Mr. Kagan,

Dr. Maurer told me that as a result of the meeting arranged by the Jewish Community on November 9th the Austrian Socialist Party has set up a committee of five to consider the Jewish demands for heirless property, restitution and indemnification. This committee is going to invite him for discussions. He has been told that the committee would be prepared to negotiate with him, but not with foreign organizations and would be prepared to recommend to the Government payments to the Community, but not to foreign organizations. Dr. Maurer said that he was sure that he could come to a settlement on behalf of the Community, but that a settlement was impossible with the foreign organizations.

I only remarked that I was sure that Dr. Maurer would immediately inform you of this new development and would take no steps whatever before having the consent of the organizations. Dr. Maurer stated that this was, of course, a matter of course.

Sincerely yours,

snd. Dr. George Weis

* * * * *

In view of the fact that we have received no letter from Dr. Maurer concerning this matter, specific action has to be decided upon.

SK

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TRANSLATION

OFFICE OF THE FEDERAL CHANCELLOR
VICE CHANCELLOR DR. ADOLF SCHAEERF

Vienna, November 13, 1952

Dear Friend,

I have received your letter of November 4th of this year, in which you inquire when the invitation for the discussions between the Austrian Government and the Jewish organizations will be issued.

According to the decision of the Government, this was to be effected by our Ministries of Foreign Affairs and Finance; as I now learn, the Ministry of Foreign Affairs has thus far not taken up the discussions only for the reason that everything there is presently geared to the negotiations before the UN, to which the Foreign Minister himself will go with a number of assistants-- I am assured that only this formal reason is the cause of the delay.

I will, of course, advise you of any developments in the matter.

With kindest regards.

/s/

A. Schaerf

To the
Jewish Labor Committee
for Mr. Adolph Held
25 East 78th Street
New York 21, N.Y.

337970

WILHELM KRELL

Director of

The Jewish Community Vienna

Vienna I, Schottenring 25

Vienna, November 25, 1952

STRICTLY CONFIDENTIAL

We are sending you attached five photostats, as follows:

- a) a letter of the KZ AMERICAN ASSOCIATION OF FORMER INMATES OF CONCENTRATION CAMPS AND OTHER VICTIMS OF NAZI PERSECUTION, New York, of November 1, 1952 to the President of the Jewish Community Vienna, Dr. Emil Maurer;
- b) a copy of the letter of the above organization to the Austrian General Consulate in New York (this copy was attached to the aforementioned letter to Dr. Maurer).

When reading these photostats you will see immediately what is being played here. This is a dangerous monkeywrench which is, respectively will be, very convenient for the Government forces here.

I am sending you these photostats with the consent of President Dr. Maurer, who made the original letter available to me immediately upon receipt.

Dr. Maurer is not replying for the time being to New York (Dr. Armand Eisler).

I could imagine that the Jewish world organizations will decide on a joint position against this attempt to break the Jewish unity and to advise us about it immediately.

Looking forward to hearing from you, I remain

Sincerely yours,

Wilhelm Krell

Encs.

To:
World Jewish Congress, London
World Jewish Congress, New York
American Jewish Committee, Paris
American Joint Distribution Committee, Vienna
American Joint Distribution Committee, Paris
Conference on Jewish Material Claims against Germany, New York

337971

Meeting of Organizations Cooperating
on Austria

November 7th, 1952

Present: Col. Bernard Bernstein
Mr. Jacob Blaustein
Mr. Marcel France
Mr. Frank Goldman
Dr. Israel Goldstein
Mr. Adolph Held
Dr. Eugene Hevesi
Mr. Saul Kagan
Mr. Moses A. Leavitt
Dr. Nehemiah Robinson
Dr. Simon Segal

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Mr. Kagan reported that Department of State officials concerned with Austrian problems advised that, under the present circumstances, they suggest that the organizations refrain from approaching the Austrian Government at this time and defer such action until after the February election. The reasons for this advice lay in the fact that the Department believed that the caretaker government would be in no position to make any commitments to the organizations at this time. Furthermore, even if it should make any statements, it would be in no position to carry them out and it might create difficulties for the coalition parties in the forthcoming elections. The third problem involved Arab pressure in the U.N. The United States is interested to have the motion endorsing Austrian independence passed in the U.N. with the greatest majority possible, and the votes of the Arab bloc are of importance. An extension of an invitation to the Jewish organizations at this time would only alienate the Arabs without, for the reasons stated above, being of any practical importance.

In this connection Mr. Kagan pointed out that the situation did not seem entirely clear. According to information received from Israeli sources, the Arabs had requested the Austrians to pledge that they would make no settlement with Israel. The Department, however, indicated that Arab demands had gone beyond that to include an embargo on any discussions on Jewish claims. The officials concerned expressed their confidence that the State Department will extend its fullest support to the efforts of the organizations to bring about negotiations after the February elections.

Mr. Kagan stated that a decision on this point was of particular urgency since Dr. Bienenfeld, Mr. Jacobson and Mr. Shuster were presently in Vienna to put some pressure on the Austrian authorities. He had sent a cable in the meantime, asking them not to approach the Austrian authorities before Monday and await instructions. The presence of the delegation in Vienna can be fully explained in any event, since they were invited

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by the Austrian community to attend a special meeting commemorating the events of November 9, 1938 there. However, specific instructions would have to be sent to the delegation immediately.

Dr. Robinson stated that he did not feel there was any particular discrepancy in the reports on the Arab demands. It was known that the Arabs would wish that there be no discussions on any kind of Jewish claims, but the Austrians had not committed themselves beyond the question of payments to Israel and there was no indication that the initiation of discussions with the Jewish organizations would jeopardize Arab support of the Austrian motion in the U.N. Dr. Robinson also reported that the Israel Consulate in Vienna was advised by its government to press the Austrians not only for an invitation to the organizations but for a statement regarding Jewish claims. The Israel Government had agreed not to oppose the Austrian motion in the U.N. if such a statement were made.

As regards the argument put forward by the State Department, Dr. Robinson felt that it was erroneous on the following counts: 1) It was impossible to anticipate the composition of the State Department in February or March 1953 and the Department was therefore in no position at this time to pledge its support at a later date. 2) As mentioned before, he did not feel that opposition by the Arabs was too serious a threat. 3) It has been clearly demonstrated in the past that the Austrians act only under pressure, and that this is the best opportunity to apply pressure on them. 4) Lastly, there has been information to the effect that after the forthcoming elections the Social Democrats would be the strongest Party so that Schaerf would then hold the position now held by Figl. Since Schaerf was known to be opposed to the Jewish claims, this would make our position more difficult. He therefore felt that some kind of commitment from the Austrian Government should be obtained now.

Mr. Leavitt felt that if Schaerf would become Chancellor, the organizations would face the same problem in this respect whether or not negotiations commenced right away. Mr. Leavitt personally felt strongly that the caretaker government is in no position to make any commitments, with elections only three months off. To start negotiations now would be to select the worst possible conditions. Furthermore it would be a mistake to act against the advice of the State Department; the same career men would be in the Department in three months as are now. If we attempt to force the issue at this time, we may lose everything. The Jewish organizations are actually in no position to exercise any real influence or pressure in connection with the U.N. matter. In general, however, the organizations can only antagonize all the parties involved by persisting at this point.

Dr. Segal felt that Dr. Robinson's arguments might be valid if we were a really powerful force. Under the circumstances, however, he felt we had no alternative but to abide by the Department's recommendations. However, he felt that the advice of the Department should be issued in a more formal manner than conversations with Mr. Kagan or Mr. Rubin and he suggested that a delegation go to the Department to discuss this matter and to obtain a statement of their support after the Austrian elections.

Dr. Robinson pointed out, in clarification, that he had not suggested the organizations proceed against the Department's wishes, but rather that they attempt to persuade the Department to alter its views.

Mr. Blaustein agreed that the organizations should go along with the U.S. Government. He felt that we should advise the Department that we are willing to abide by their advice. At the same time it might be suggested to the Department that they may wish to obtain a commitment from the leaders of the Austrian Government that they will take action in this matter after elections.

Col. Bernstein suggested that if Gen. Eisenhower indicated the future Secretary of State in the near future, the organizations might wish to discuss the matter with him.

Dr. Goldstein stated that he was concerned with the moral position of the organizations in this matter. If the organizations refrained from taking any action at this time, might they not be charged with capitulating and giving up their moral duty to take up this matter? Mr. Leavitt pointed out that the position of the organizations had changed several times in the past. At the moment he felt that there could be no question of abandoning a position, since what was here involved was mere strategy in selecting an opportune moment for the commencement of discussions. As regards Mr. Blaustein's suggestion, Mr. Leavitt agreed that it would be helpful if an agreement from the Department could be obtained, but he was doubtful about its feasibility.

Mr. Blaustein pointed out that it was particularly important that all efforts in this respect be coordinated. He felt that the Israelis must not proceed on a different line than the organizations. The Israelis should be advised of the position taken by the organizations and coordination effected. It was agreed that this was a most important point; that the Israelis should not apply pressure if the organizations agreed to hold off.

Mr. Goldman stated that if he felt that there was any chance of success by pressing for action now, he would favor it. However, under the circumstances he felt that the best policy was to heed the advice of the Department. Regarding Mr. Blaustein's suggestion, he felt that it should be put in the form that the organizations would be very pleased if the Department could obtain a commitment from the Austrian leaders, but that it should not be made a condition for complying with the Department's recommendations. This would leave the door open for resuming the matter at a later date.

Mr. Kagan suggested that the delegation in Vienna be instructed to meet with the U.S. Embassy officials there to discuss the matter with them and get their views. Mr. Leavitt felt that the meeting should make its decision now, in any event. He felt that the U.S. representatives in Vienna would hold the same position as the Department. Mr. Kagan felt that there was actually no definite information of how Figl and Schaerf felt about negotiations at this time. Mr. Leavitt stated that in his opinion there was no doubt that the position of the Department reflected the position of the Austrian Government.

Mr. Blaustein felt that there was no harm in a discussion between the delegation and Mr. Thompson, U.S. Ambassador in Vienna. He suggested that the meeting make its decision at this time, unless a report were received from Vienna which would throw new light on the situation and warrant a revision of the position taken.

Mr. Kagan further suggested that there be informal sounding out of Figl and Schaerf, not through a delegation but through outside contacts. Mr. Leavitt felt that this would be action that did not have to be taken immediately. Mr. Blaustein felt that such action should not be taken for the time being, since it might interfere with a possible attempt by the State Department to get some commitment from the people in question.

Mr. Held summed up the decision reached as follows: The meeting decided to instruct the delegation in Vienna not to make any approaches to the Austrian Government at this time. Dr. Israel Goldstein and Dr. Robinson opposed this motion and felt that the initial representations should be made to the Austrians, although they agreed that no pressure should be applied at this time. The meeting decided to instruct the delegation presently in Vienna to confer with Mr. Thompson and get his opinion and views regarding the situation in Austria as it affects negotiations and to report here immediately.

It was further agreed that a delegation be sent to the State Department to discuss this problem and to urge the Department to secure from the Austrian leaders a commitment to settle this issue after elections. It was also agreed to defer informal contacts with the Austrians until after these representations.

Translation

KZ AMERICAN ASSOCIATION OF FORMER INMATES OF CONCENTRATION CAMPS AND
OTHER VICTIMS OF NAZI PERSECUTION

252 West 92nd Street, New York 25, N.Y.

November 1, 1952

Dr. Emil Maurer
President of the
Jewish Community Vienna
Schottenring
Vienna, Austria

Dear Friend:

I am sending you attached a copy of my latest communications which we handed to the Consulate here and the Ambassador. This is for the purpose of giving you the right picture. From the Protocol which was made available to me, I have the impression that there are completely incorrect conceptions regarding an agreement with the Jewish organizations. Such an agreement may exist among the Jewish organizations. I am not clear whether the Kultusgemeinde formed by you unconditionally endorses the Salzburg decisions of this organization. Should this be the case, then you won't be in a position to appear as a decisive representative of our viewpoint in Vienna. Otherwise I would consider it proper if you would maintain with your accustomed energy the dividing line which is contained in the memoranda, and exert your efforts that we be instructed to send our delegates for the administration of the fund. You will remember that I worked in Vienna for that aim. Only now the Jewish organizations have intervened, after they have renounced compensation for Austrians in favor of Israel. Since my main front is still directed against Germany, I hope that also the Austrian government, particularly Messrs. Figl and Schaerf who are very friendly toward us, will also include us.

I hope that you won't put this letter aside, but that it will spur you to immediate action. In this case I hope to see you again very soon. Please discuss the matter immediately with the Chancellor and Vice-Chancellor so that I may make my travel preparations.

We represent tens of thousands of Austrians. We have drafts and proposals for the fund, values of assets, compensation, etc. which I would like to submit to you.

With kind regards,

Dr. Armand Eisler

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of a letter dated November 1st, 1952, to the Austrian General Consul in New York, Dr. Franz Leitner, from the American Association of Former Inmates of Concentration Camps and other Victims of Nazi Persecution.

YIVO 347.7
Amrcn Jewish Cmtee
(Frng Afrs Dpt. 41-46)

The first paragraph deals with the previous activities of the Chairman of the organization, Dr. Eisler, who had visited Vienna during 1949/50 and there visited numerous government officials. Dr. Eisler had submitted at that time an opinion on the heirless property fund proposal. He had also submitted to the State Department an opinion on the proposed Peace Treaty. The essence of his proposal was that Austria should withdraw its renunciation for reparations from Germany. Box 1
File 2

The Association therefore points out that it was they who, already in 1946, began the public demand for compensation legislation for damage to life, health, liberty, and economic advancement.

The Association has made a survey of damage to victims embracing many thousands and for this purpose interviewed hundreds of persecutees from Austria. They became the largest organization caring for Austrian victims. They had formed a subsidiary organization under the title "American Association of Victims from Austria". This group is a legal entity which represents the compensation claims of needy and aged from Austria and which is entitled to represent the interests of these groups in Austria, particularly with regard to the funds to be established.

They point out that the general interests of these victims fits into the struggle of the Association for compensation, which was above all directed against the German states. The struggle has now been completely abandoned by the Jewish organizations, whose representatives, in Luxembourg, renounced the claims for compensation of victims from Austria in order to facilitate reparations of a political nature, in which those organizations are above all interested. The Association does not recognize these treaties and is rather of the opinion that the Germans have the obligation to meet the compensation claims of Austrian victims. Since Austria does not demand reparations from Germany, it would be intolerable if Austria would refuse to grant the same compensation to its former nationals as is granted to former German nationals. The Association suggests that the Austrian Government charge the German Government for the compensation which it will grant to former Austrian nationals.

The Association feels slighted by the fact that only the Jewish world organizations, which already sold out the interests of the Austrian groups to Germany, are now included in the contemplated discussions on a technical level. They are dismayed that the intervention of an agent of the JTA, i.e. an agent of Israel, was sufficient to bring about such a development in Austrian politics, while the struggle of the victims represented by the Association who have done so much for their old country, does not meet with such consideration. The Austrian government which allowed widows to continue to suffer want found it proper to grant a political credit to Israel.

The Association fears that the proposed funds might fall into the hands of the organizations dependent on Israel so that, as in the case of the JRSO, these funds would again not reach those for which they were intended, i.e. the suffering, aged, ill, widows and orphans from Austria, whose interests are our concern.

The Association has now prepared a draft of a fund law and a general compensation law, which, while maintaining a recourse to the German states, expands the application of the Federal Law of 18. July 1952 (7. Opfer-Fuersorge-gesetz - Novelle) and extends it to those who were driven out.

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Austrian Restitution

YIVO RG 347.7
American Jewish Committee
(Foreign Affairs Dept. 41-46
Box 1 / File 2)

MEMORANDUM

TO: Organizations cooperating on Austria

FROM: Saul Kagan

1) The following is the text of the JTA dispatch from Vienna concerning possible negotiations with the Austrian Government:

"AUSTRIAN CABINET BACKS OUT OF REPARATIONS TALKS WITH JEWS

VIENNA, Nov. 11. (JTA) -- Despite assurances by Chancellor Leopold Figl and Foreign Minister Karl Gruber that the Austrian Government was prepared to start discussions on Jewish reparations claims with representatives of major Jewish organizations, it was announced here today that the Cabinet had definitely decided not to undertake such discussions.

An official announcement said that the decision was taken in view of the fact that the present government considers itself provisional and does not want to initiate any binding agreements until after the national elections early next year. It was indicated that Foreign Minister Gruber will explain to Jewish organizations in the United States the reason for the postponement when he arrives in New York early next month.

Observers here believe that the reason for the postponement is that the two leading parties - the Peoples Party and the Social Democratic Party - which compose the Cabinet do not want to antagonize non-Jewish voters during the election campaign. The government is also afraid that Arab delegates at the United Nations may vote against Austria during the debate on Austria's fate at the United Nations next month, should the Austrian Cabinet agree to discuss the payment of reparations to Jews."

2) We are now awaiting a detailed report from Dr. Bienenfeldt, Mr. Jacobson and Mr. Shuster who, as you know, were in Vienna during the past week.

Saul Kagan

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Austrian Restitution

YIVO RG 347.7

American Jewish Committee (Foreing Affairs Dept. 41-46)
Box 1 File 2

CONFIDENTIAL

M I N U T E S

Meeting of the Organizations Cooperating
on Austrian Problems

Tuesday, October 21st, 1952

Present: Mr. Marcel Franco
Mr. Adolph Held
Dr. Eugene Hevesi
Mr. Saul Kagan
Dr. George Landauer
Dr. Nehemiah Robinson

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Mr. Kagan reported on a new development which had been conveyed by cable from Vienna. He had been advised that the Austrian Government was planning to extend, for another year, the filing deadline for individual restitution claims. Unlike in Germany, the filing deadline in Austria, which was due to expire only at the end of this November, gave claimants a filing period of 5½ years. The danger of such a step is that the Austrians might well use it to stymie the efforts of the organizations to claim heirless property, on the pretext that no claims for heirless property could be allowed until all possible individual claims had been received. Dr. Hevesi pointed out that Dr. Schaerf had actually used this argument to object to the heirless property program, in his discussions with Mr. Smolar. Upon Mr. Held's question, Mr. Kagan pointed out that the situation in Germany had been different. The JRSO had concluded its bulk settlements long after all individual claims had been filed, and as regards the Hague settlement, this had been concluded without any reference to any law permitting the filing of individual claims. Mr. Kagan felt that this move of the Austrians put the organizations in a difficult position.

Dr. Robinson felt that the organizations had only one possible approach, i.e. they should state that they were not opposed to an extension of the filing deadline but that they would not recognize it as an excuse for the delay of negotiations on heirless property.

Mr. Kagan reported that he had discussed the matter with the Austrian Desk of the State Department. The Department had previously indicated that they would not support a request for an extension of the deadline. After discussing the matter with Mr. Kagan, the Department agreed to suggest the following approach to their people in Vienna: "While this is a nice gesture on the part of the Austrians, it can be assumed that most of the individual claims have already been filed, and the Department would be disturbed if such a development would adversely affect negotiations on heirless property." Such a statement on the part of the Department is actually all that could be expected.

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Mr. Kagan further pointed out that the question had been raised whether representations should be made in Vienna itself. Furthermore, since the British were apparently instrumental in requesting the filing extension, Jacobson had contacted the people in London and Mr. Kagan was concerned about the nature of the representations which might be made there. As regards direct representations in Austria, Mr. Kagan felt that any representations made in Austria today could not be considered informal but would become formal actions of the organizations. He felt that the organizations must at all cost avoid the impression, vis-a-vis the Jewish public, that they were opposing the extension of the filing deadline. Dr. Robinson felt that this might be best counteracted by a statement of the organizations that the matter of an extension of the filing deadline was irrelevant, since the organizations would in any event indemnify late claimants, as the JRSO had done.

Mr. Held stated that in his opinion the amount of any bulk settlement would not be affected by claims which would come in later, and that the Austrians would probably not make any deductions, as the German Laender had done. He felt that the amount which the Austrians would consent to pay would be a small one, well within their means. For the time being they should simply be advised that the organizations would not recognize any interference in the negotiations because of the extension of the deadline. It was also agreed that some representations, of an oral nature, should be made to the Austrians by someone on the spot, possibly Jerry Jacobson and someone from London. It was decided not to involve Dr. Weis in such matters in order not to complicate his relations with the Austrian governmental agencies whose cooperation is essential for the survey of heirless property.

The second problem before the meeting concerned the question of the invitations by the Austrian government to negotiate. Apparently the Austrian Consulate had received a report from the Foreign Ministry to the effect that there had been a discussion in the Cabinet about three weeks ago, discussing in principle the problem of negotiations with the organizations, but that at that time there had been no definite decision to issue invitations. It is now alleged that the invitations will be considered at a meeting of the Cabinet on October 28th, although the reports on this do not all coincide. Mr. Kagan felt that the organizations would have to decide what action to take if no invitation was forthcoming on the 28th. The Austrian Government is playing for time.

Dr. Robinson suggested that we not even wait until the 28th. He felt that someone should go to Vienna at once and make representations. They could base them on Schaefer's official statement that a decision regarding negotiations had been reached several weeks ago. He felt that the Austrians are issuing a great deal of publicity regarding forthcoming negotiations, without actually being prepared to enter into negotiations. Mr. Held suggested that when Mr. Jacobson, or whoever else was designated, went to Vienna on the matter of the filing deadline, he could take up this issue also and that definite arrangements should be made for 1 or 2 people to be in Vienna on these matters within the week. Dr. Hevesi pointed out that if such representations were made before awaiting

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developments on the 28th, we might be in a position of having spent too much ammunition on this question. It was felt, however, that past developments completely justified such a step. It was decided that a delegation be sent to Vienna to obtain the definite position of the Austrian Government on negotiations. It was clear that we must force the Austrian hand before it is too late.

Dr. Landauer stated that in his opinion the entire approach of endeavoring to obtain an invitation was a mistaken one. He felt that the organizations should first formulate specific demands and then formally present them to the Austrian government. He felt that this was the accepted procedure in matters of this sort and that there was no real point in attempting to secure an invitation to "negotiate" without having stated the demands which are to be negotiated. Mr. Kagan pointed out that last May an official memorandum had been handed to the Austrian Chancellor by a delegation representing the four organizations, generally outlining the major demands of the organizations. To this date not even an acknowledgment of this memorandum had been received from the Austrian Government. Mr. Kagan further stated that the organizations were in the process of collecting material in order to formulate their claims as precisely as possible, but that on the basis of past experience it had been considered best to present this material in actual negotiations with representatives of the Austrian government.

Dr. Robinson reported that he had had discussions with some Israeli representatives regarding the problem of the Austrian issue in the UN and the difficulties with the Arabs. The Austrians were trying to obtain a vote in the Assembly favoring their independence and pressing the Russians to remove the obstacles in the way of the conclusion of the Peace Treaty. Since such a step would be of primary importance for internal Austrian political matters, it would be essential to have the Assembly pass on this issue with an overwhelming majority, and the votes of the Arab-Asian bloc (12-13) would therefore be of greatest importance. The Arabs had made their support conditional on a pledge by the Austrians that they will make no payments to Israel. It is not clear whether the Arabs also demanded that no payments be made to any Jewish groups, and it seems indicated that the Austrians would not clearly commit themselves on the latter. The position of the Israelis in the matter had been that they would not demand any reparations payments from Austria. As regards the issue of Austria's independence, they would be inclined to favor it if they could obtain a commitment from Austria that they are prepared to safeguard the interests of persecutees. It was not clear whether Israel would or would not make a specific statement on this point or what type of assurances it would request of the Austrians. These matters would depend on further developments, and Dr. Robinson suggested that close liaison be maintained with the Israelis in this connection.

In this regard Mr. Kagan was concerned about one particular point. He felt that it might be appropriate to have the official position of the U.S. government on Jewish persecutees from Austria conveyed to the Arab delegations, through the U.S. delegation. He felt that the organizations could not come out with a public blast against Austria in this connection, since it would place them in a position of being lined up with the Russian bloc, but he felt that they should use the channel of the U.S. delegation to bring home their point.

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The meeting decided that Dr. Robinson should maintain liaison with the Israelis on this problem.

Mr. Kagan next reported on the activities of Dr. Armand Eisler, a former Austrian, who headed a small group of former concentration camp victims. Dr. Eisler was a man of very difficult personality, and although his group was very small he had caused considerable difficulty to the organizations in the past, even in the negotiations with Germany. Dr. Eisler had now protested to the Austrian Government against the proposed invitations to the organizations, charging that they did not represent Austrian refugees. While Mr. Kagan felt that there could be no cooperation with Eisler's group, this did point up the need for including some kind of Austrian refugee group in these deliberations. The difficulty here was that, unlike the German Jews, the Austrian Jews did not have one overall world-wide organization. In this country there was the American Federation of Jews from Austria, with which Mr. Kagan had had some dealings. The reports he had received on this group had been good. He had been dealing with a Dr. Gudemann, who seemed to be a reasonable and sensible individual. He was the son of the former Chief Rabbi of Vienna and headed the Austrian congregation in New York. Other names which he had received were those of Prof. Herbert Elias, Prof. Siegfried Altmann and Mr. Egon Bergson. A Dr. Jellinek and a Dr. Stiasny were also mentioned. Mr. Held felt that there seemed to be no doubt that there would have to be some Austrian refugee participation in these meetings, and Mr. Franco concurred. Mr. Kagan reported that Dr. Goldmann had stated that such a group should be included if it appeared necessary.

After further discussion it was decided that Mr. Kagan would discuss this matter with the representatives of the Austrian refugee associations in order to secure from them the designation of a "representative" individual. They should also attempt to get in touch with parallel organizations in England and Israel to obtain their concurrence. Mr. Kagan stated that there was an organization of Former Austrian Jurists which was not included among the organizations affiliated with the American Federation of Jews from Austria, since they did not restrict their membership to Jews. Members of this group had been very helpful, however, and Mr. Kagan suggested that the Austrian group might wish to avail themselves of representatives of the Austrian Jurists for the purpose of technical discussions.

Dr. Robinson felt that it might be important to include Dr. Siegfried Altmann in these discussions, since he felt Dr. Altmann had a position of considerable influence among the Austrian group, particularly among the group of well known Austrian scientists and other renowned figures. Dr. Robinson further stated, for the record, that the various Austrian organizations existed mainly on paper, rather than in terms of active membership.

Mr. Kagan reported that some problems had already arisen regarding requests by other organizations to participate on the Austrian problems. The Agudas had requested participation and had also seen the Austrian Ambassador in London. Furthermore the Anglo-Jewish Association had approached the JDC with a request for participation. Mr. Franco reported that he had also had a letter from the

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Anglo-Jewish Association and that he had told them that he would keep them informally advised of developments. Mr. Franco inquired whether there were any real objections to admitting additional organizations. Mr. Kagan felt personally that there were no such objections, but that matters were in such a preparatory stage that it was difficult to set up a real structure at this time. Nevertheless some kind of reaction to these requests should come out of this meeting. Mr. Held felt personally that these organizations would be admitted eventually, but that the meeting should not take a decision in this matter at this time. Mr. Kagan suggested that he write to the organizations in question, advising them that no invitations had yet been received to negotiate with Austria and that their applications would receive consideration as soon as the situation had developed further.

Mr. Kagan reported that Dr. Weis had arrived in Vienna for the purpose of the heirless property survey and had submitted a preliminary report. It appeared that there would be some expenses involved in Austria, in the amount of 12-15,000 Schillings, and that some mark expenses might also be needed. Mr. Kagan stated that it was his understanding that the Agency would share these expenses with the JDC. Dr. Landauer confirmed this but stated that Dr. Weis should be requested to submit a budget, to be approved in anticipation. He did not raise any objection to the amount requested, but felt that a budget was an indispensable step.

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SUBJECT: Restitution Legislation in Austria

The Provisional Austrian Government, which took over from the German Reich in April, 1945, realized from the beginning that restitution would be one of its main problems. Therefore, it passed several laws on the subject as early as May, 1945. Among these were the so-called Public Administrator's Law, which provided for public administration of property which was aryanized or confiscated during the National Socialist occupation of Austria, the Registration of Property Law, and the Safeguarding of Property Law. Some of these laws were not unanimously approved by the Allied Council and had to be withdrawn.

Between the election in 1945, which was a great defeat to the Communists in Austria, and the ratification of a new Control Agreement on June 23, 1946, no laws were passed because of the requirement of unanimous approval by the Allied Council. The new Control Agreement of June 23, 1946, provided in Article 6 for the so-called automatic approval of a law within 31 days unless all Four Elements objected to it. After the passage of the new Control Agreement several laws on restitution were promulgated. The most important of these was Law No. 106 ex 1946, dealing with the annulment of legal acts and other legal matters effected during the period of the German occupation of Austria for the purpose of political and economic penetration of the German Reich. These acts were designed to deprive individuals or corporating owners of their property rights as they existed before the German occupation. In addition the Austrian parliament passed a new Registration Law (Law No. 150 ex 1946), a Public Administrator's Law with several by-laws which provides for the appointment of public administrators and public controllers in order to assure an orderly and rapid process of restitution, and to prevent abuse.

Seven restitution laws were passed. They were:

(1) First Restitution Law (Law No. 156 ex 1946) regulating the restitution of alienated property presently administered by the Austrian Government as a result of the Annulment Law No. 106 ex 1946 cited above.

(2) Second Restitution Law (Law No. 53 ex 1947) concerning the restitution of alienated property the title to which had passed to the Austrian Government.

(3) Third Restitution Law (Law No. 54 ex 1947) concerning the restitution of alienated real and personal property now in the hands of private persons, corporations, etc. This is the most important of all the restitution laws, as it deals with the extremely complicated legal problems involved when the property rights of the original owner (claimant) conflict with the property rights of the present owner.

(4) Fourth Restitution Law (Law No. 143 ex 1947). This concerns the re-registration of the names of firms which, under the National Socialist pressure, have been changed or deleted.

(5) Fifth Restitution Law (Law No. 164 ex 1949) concerning restitution of dispossessed property of juridical persons deprived of their legal status under Nazi oppression.

(6) Sixth Restitution Law (Law No. 199 ex 1949) concerning the restitution of industrial property rights (Patent Trade Marks, etc.), and finally, the

(7) Seventh Restitution Law (Law No. 207 ex 1949) concerning the assertion of abolished or unfulfilled claims arising under employment contracts with private enterprises.

All the aforementioned seven restitution laws were implemented by various laws, ordinances, or by-laws.

The Austrian Government further passed several laws designed to undo injustices committed during the Nazi Occupation of Austria. The more important ones were:

(1) The Re-employment Law (Law No. 160 ex 1947) concerning the re-employment of former employees who had been discharged under National Socialist pressure.

(2) The Victims Welfare Law (Law No. 182 ex 1947) concerning the care and privileged treatment of victims of the struggle for a free and democratic Austria and the victims of political prosecution.

Besides the laws cited above, the Austrian Government passed several so-called Re-transfer Laws, which concern restitution of property to political parties of which they were deprived during the so-called Schuschnigg-Dollfuss regime 1934 to 1938.

As can be seen from the above cited laws, most of the restitution laws were passed in 1946 and 1947, and several in 1948 and 1949. In the elections of 1949 the political parties campaigned for the votes of former National Socialists. They made numerous promises, among them the amendment of the Third Restitution Law, improvement of the position of the aryanizer, etc. The Parliament failed to act on the 8th Restitution Law concerning restitution to lease holds (shops and apartments) despite the fact that many Jews cannot get back their homes and had to and still continue to live in mass quarters while the aryanizers enjoyed the privilege of living in apartments and running shops for which they had paid practically no compensation.

Several attempts were made to amend the Third Restitution Law, all of which were defeated due to the strong position taken by the U. S. Element. The last attempt was the enactment of the so-called Re-acquisition Law (passed on July 17, 1952 in the Austrian Parliament). This law was the successor to the original Hardship Fund Law of 1950 which was not submitted to Parliament because of protests made by General Keyes, then U. S. High Commissioner of Austria. The Re-acquisition Law had three parts:

PART I provided that persons who had to relinquish property as a result of a specific German law and have not had it restored are entitled to reacquire property which they, themselves, may have or had to restore in connection with a restitution judgment.

According to PART II, aryanizers of enterprises already restituted may re-acquire such if the owners were "indebted".

PART III provided for the procedure.

The Allied Council objected to the promulgation of this law as being a violation of the London Declaration of 1943, and Article 5 of the Control Agreement.

When the Re-acquisition Law was passed, the Austrian Government also passed three (3) Amnesty Laws in favor of implicated Nazis. They are all of a constitutional nature and, therefore, the 31-day time limit as provided by Article 6 of the Control Agreement did not apply. To date they have not been acted upon by the Allied Commission. At the same time the Austrian Government passed three (3) laws in favor of victims of political persecution. They were:

The Seventh Amendment to the Victims Welfare Law. This amendment provides compensation for damages suffered by imprisonment and by disciplinary measures in civil service due to political persecution during the period 1933 to 1945. Entitled to this compensation are holders of Victims Welfare Certificates (only Austrian citizens and some of their surviving heirs).

The second measure was the Civil Service Administration Law providing for indemnities to reinstated Federal employees whose income was reduced because of political reasons after March 13, 1938.

The third measure was a Constitutional Law extending the benefits of the Civil Service Indemnity Law to employees of the Provinces and the Municipalities with the exception of teachers.

These three (3) measures were unanimously approved by the Allied Commission under the proviso that the Austrian Government submit a draft of a new law to Parliament within six (6) months granting compensation to all victims of Nazi oppression, regardless of nationality.

Since 1948 the Austrian Restitution Commissions have rendered decisions which were not in accordance with the spirit of the restitution laws and highly favored the aryans. Practically all aryans were considered bona fide acquisitions. Deductions made by the Gestapo or other Nazi authorities as special taxes and fees imposed upon the Jews were considered legal and the aryans were not required to compensate for amounts. As a whole it can be said that the Austrian authorities became reluctant to do anything for the victims of political persecution, perhaps not for anti-Semitic reasons but more for the purpose of securing the votes of former National Socialists.

At present several necessary legislative measures are needed in order to undo the worst of injustices committed by the National Socialist regime in Austria. They are:

a. Passage of the so-called 8th Restitution Law for the restitution of lease holds;

b. Passage of the two heirless property fund laws designed to compensate the victims of Nazi oppression only. This law should grant certain rights to the Jewish Communities in Austria in order that they can control the heirless property fund and take part in any decision concerning the distribution of this fund.

c. Legislative measures should be passed to grant equal treatment to all the persons irrespective of residence and citizenship in all civil service or prison detention compensation matters.

d. Legislative measures to amend the existing Austrian Social Insurance Legislation to grant to beneficiaries residing abroad (at least in

the Western countries) the old age benefits with all supplements retroactive to May 1945. (Similar measures were taken in the Austro-Swiss Agreement on the same subject).

In addition, the Austrian Government and Parliament should make a commitment to abolish permanently all plans to amend the Third Restitution Law. The Austrian authorities further should be reminded that the decisions of the Restitution Commission contradict the spirit of the law and should be corrected accordingly.

Austrian Restitution

YIVO RG 347.7
American Jewish Committee
Foreign Affairs Dept. (41-46)
Box 1 File 2

10/195

*Strictly Confidential
Not for Publication.*

CLAIMS OF JEWS FROM AUSTRIA

SURVEY

by

DR. F. R. BIENENFELD

FRB/s/
x.52

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EXPLANATION OF THE ANNEXED DOCUMENTS ON AUSTRIA

The fundamental difference in the legal and economic field as to Jewish claims against Austria and Jewish claims against Germany are explained in Enclosure I, in order to show that different requests and different tactics are necessary in the negotiations with Austria from those with The Hague Conference against Germany.

It follows from Enclosure I that claims against Austria fall into two categories: those where both Austria and Germany are responsible for the losses suffered by victims of Nazi oppression and where they deny their responsibility for contradictory reasons, and those where the claims could and should be satisfied by the Austrian Government alone.

Enclosure II (the Programme) differentiates therefore between the claims accordingly.

Enclosure III is a statement on present Austrian legislation in force.

Enclosure IV is a description of Jewish claims against Austria and Germany;

Enclosure IVa - Flight taxes, capital levies and other taxes;

Enclosure IVb - Ransom money;

Enclosure IVc - Pensions;

Enclosure IVd - Other moveables.

Enclosure V describes the claims to be satisfied by the Austrian Government alone;

Enclosure Va, Jewish Successor Organisation;

Enclosure Vb, Pensions;

Enclosure Vc, Compensation for Loss of liberty and damage to health and limb;

Enclosure Vd, Insurance policies;

Enclosure Ve, Return of flats.

.....

CONFIDENTIAL

SUMMARY OF THE DISCUSSION BETWEEN DR. REINHARD KAMITZ, AUSTRIAN MINISTER OF FINANCE, DR. LOEWENTHAL, AUSTRIAN AMBASSADOR TO THE UNITED STATES, DR. MATSCH, AUSTRIAN CONSUL GENERAL IN NEW YORK AND DR. LEITNER, AUSTRIAN DEPUTY CONSUL GENERAL -- AND --
DR. ISRAEL GOLDSTEIN, COLONEL HAROLD RIEGELMAN, DR. NEHEMIAH ROBINSON,
DR. JOSEPH J. SCHWARTZ AND MR. SAUL KAGAN

The purpose of the meeting was to elicit the views of the Austrian government on initiating direct negotiations between representatives of the Austrian government and the four organizations concerning the indemnification and restitution matters in Austria.

The representatives of the Jewish organizations forcefully expressed the impatience over the failure of the Austrian government to take affirmative action in this respect. The Austrian officials, principally Dr. Kamitz and to a limited extent, Dr. Leitner, who just returned from Vienna informed us that:

1. Chancellor Figl presented the matter of extending an invitation to the Jewish organizations at the meeting of the Austrian government on September 9. It was decided at this meeting to appoint a committee of five section chiefs, representing the Chancellery, Ministry of Foreign Affairs, Ministry of the Interior, Ministry of Welfare and Social Affairs, and the Ministry of Justice to assess the scope of demands for new measures for compensation to persecutees.

This committee is also expected to ascertain the nature of the claims which the foreign organizations contemplate advancing. Reference was made to a questionnaire method to be employed by this committee.

Our delegation made it abundantly clear to Dr. Kamitz that the Jewish organizations did not consider the appointment of this committee and its intention to ascertain the Jewish demands by sending around questionnaires as a satisfactory move in the direction of solving the outstanding problems. Our representatives stated that it will be necessary for the Austrian government to issue a statement in the immediate future, expressing its readiness to enter into negotiations with the Jewish organizations. Such a declaration should be followed with an actual invitation for meetings. It was understood that the initial meetings between the Jewish organizations and the Austrian representatives will be confined to the setting up of an agenda and possibly to an exchange of factual data concerning potential claims, number of claimants and similar problems.

Dr. Kamitz stated that he will report on this meeting to the Austrian Cabinet on Tuesday, September 23. He expressed his personal agreement to the advisability of initiating at least informal negotiations between the Austrian government and the Jewish organizations to facilitate the exchange of factual information and the preparation of an agenda.

Our delegation also advised Dr. Kamitz of the resolution passed by the Austrian Jewish communities in Salzburg on September 14, pledging full cooperation and coordinated action with the large Jewish organizations.

Our delegation impressed upon Dr. Kamitz the necessity for speedy action as the Jewish organizations are in no position to wait much longer without presenting the entire issue before world public opinion.

S. A. Kagan

YIVO RG 347.7
American Jewish Committee
(Foreign Affrs Dept. 41-46)
Box 1 File 2

August 21, 1952

Mr. Seymour J. Rubin
1832 Jefferson Pl NW
Washington, D.C.

Dear Sy:

Re: Austria

With reference to the objectionable amendments to the Third Restitution Law, I understand that the Control Council must act within 31 days after the submission of these laws to the Control Council. As the laws were passed by the Austrian Parliament on July 18, I would imagine that Control Council action is imminent.

I am also under the impression that in addition each High Commissioner has the right to prohibit the enforcement of an objectionable law within his area of control, to the extent that it affects the interests of nationals of the occupying country. If I am correct -- I am sure that this can easily be ascertained at the State Dept. -- then the U.S. High Commissioner would be entitled to prohibit the implementation of these amendments when property of U.S. citizens is involved.

I am sure that you will explore this point in anticipation of the failure of the Control Council to unanimously veto the amendments to the restitution law. This is a new twist to demonstrate U.S. displeasure. I hope it works.

Please let me know whether the High Commissioner would be entitled to act unilaterally within his zone, as indicated above. As soon as I have a confirmation from you, I will alert our British and French friends to this possibility.

Cordially yours,

SAUL KAGAN

SK/b
cc:EM-ZS-JJJ

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American Restitution

YIVO RG 347.7

LEXington 2-5200

American Jwsh Cmtee (Frng Afrs Dept 41-

CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY 46)

SUITE 800

270 MADISON AVENUE
NEW YORK 16, N. Y.

Box 1 File 2

August 4, 1952

Mr. Seymour J. Rubin
1832 Jefferson Pl. N.W.
Washington, D.C.

Dear Sy:

Re: Austria

Today's JTA (Aug.1) reports from Vienna that there is a strong resentment in Austrian government circles against the State Dept. protest on the Nazi amnesty laws. According to the dispatch, high officials of the People's Party (Figl's party) are suggesting that Austria reject the American protest. It will be important to watch for any weakening of the U.S. position prior to the August Control Council meeting, when it is anticipated that the amnesty laws will come up for consideration.

Austria's appeal to the U N for the restoration of full sovereignty (you undoubtedly saw today's front page story in the Times) may generate some sentiment in the State Dept. against "embarrassing the Austrian government" at this time by vetoing legislation which has been passed by the Austrian Parliament. As I am sure you will have an opportunity to meet Donnelly's successor, Mr. Thompson, in Washington, you may have an opportunity to sense whether there is any weakening of the State Dept. position, not only with respect to the Nazi amnesty laws but also on the problem of U.S. initiative in securing the views of the other governments concerning the amendments to the Third Restitution Law.

You will note from my letter to Jerry of July 29 that the State Dept. is awaiting Austria's reply concerning the extension of an invitation to the foreign Jewish organizations. Possibly Thompson could be induced to follow up this matter in Vienna.

Cordially yours,

SAUL KAGAN

SK/b
cc: Dr. Havesi
JJJ
ZS

Dic. 8/1

SPONSORING ORGANIZATIONS

- AGUDATH ISRAEL WORLD ORGANIZATION
- ALLIANCE ISRAELITE UNIVERSELLE
- AMERICAN JEWISH COMMITTEE
- AMERICAN JEWISH CONGRESS
- AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE
- AMERICAN ZIONIST COUNCIL
- ANGLO-JEWISH ASSOCIATION
- B'NAI B'RITH
- BOARD OF DEPUTIES OF BRITISH JEWS
- BRITISH SECTION, WORLD JEWISH CONGRESS
- CANADIAN JEWISH CONGRESS
- CENTRAL BRITISH FUND
- CONSEIL REPRESENTATIF DES JUIFS DE FRANCE
- COUNCIL FOR THE PROTECTION OF THE RIGHTS AND INTERESTS OF JEWS FROM GERMANY
- DELEGACION DE ASOCIACIONES ISRAELITAS ARGENTINAS (D.A.I.A.)
- EXECUTIVE COUNCIL OF AUSTRALIAN JEWRY
- JEWISH AGENCY FOR PALESTINE
- JEWISH LABOR COMMITTEE
- JEWISH WAR VETERANS OF THE U.S.A.
- SOUTH AFRICAN JEWISH BOARD OF DEPUTIES
- SYNAGOGUE COUNCIL OF AMERICA
- WORLD JEWISH CONGRESS
- ZENTRALRAT DER JUDEN IN DEUTSCHLAND

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Austrian Restitution
YIVO RG 347.7

American Jewish Committee

OUTLINE OF CLAIMS AGAINST AUSTRIA. (Frgh Afirs Dept. 41-46)

Box 1 File 2

I) INDIVIDUAL RESTITUTION

The present legislation on restitution provides only for the return of traceable property. (In this respect, the Austrian restitution legislation is much narrower than that of Western Germany which applies to identifiable property.)

Suggested demands :

- a) Undertaking on the part of Austria not to change the present legislation on restitution to the detriment of the victims of Nazism;
- b) Compensation for such property which under the terms of the existing restitution legislation cannot be restituted;
- c) Return of flats and business premises or at least first priority in allocations of flats and premises in exchange for unreturned flats. (A Bill, the so-called VIIIth Restitution Law, has been prepared already two years ago, but not yet introduced in Parliament. There are still 400 to 500 Jewish families without proper flats);
- d) Renewed approaches should be made to obtain the return of Jewish property which has not yet been returned for the reason that it became German property during the Nazi period.

II) HEIRLESS AND UNCLAIMED PROPERTY

The Austrian Government introduced in July last a Bill to Parliament, the so-called "Sammelstelle-Gesetz" which may come up for consideration in the autumn session. This Bill provides for the establishment of a collecting agency for heirless property.

The Bill is completely unsatisfactory for the following reasons :

- 1) The Board of the collecting agency will be appointed solely by the Austrian Government. No guarantees are given that representatives of victims of persecution will be adequately represented on it.
- 2) The collecting agency is entitled but not under obligation to claim the return of heirless property of victims so that the pursuance of claims is left to the discretion of the Austrian Government.
- 3) No provision is contained in the Bill as to the purpose for which the collected assets will be used.

The demands of the Jewish organisations must therefore be :

- a) Adoption of a Law creating a Jewish Successor Organisation that shall be entitled to claim direct the heirless and unclaimed assets of Jews who were members of the Jewish religious community before the occupation of Austria.

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To achieve this, it would be necessary :

- i) that a further extension of the dateline for registration of individual restitution claims should not be requested;
- ii) that an interpretation of the Allied Powers be obtained that they would regard the establishment of a Jewish Successor Organisation as being in harmony with the spirit of Art. 44 of the Draft Treaty with Austria.
- b) Since a great part of the heirless property became, through confiscation during the Nazi period, property of the German Reich and is as such now in the hands of the Allied Powers, the Austrian Government should undertake to approach the Allies that they should hand over this property to the Jewish Successor Organisation. (Their approach should of course be supported by the Jewish organisations.)

III) JEWISH LEVY (JUVA) AND FLIGHT TAX (Reichsfluchtsteuer).

This is the most important item as the Levy and Tax paid by Austrian Jews represent greater value than the heirless property.

However, the difficulty on this point is that the Levy and Tax were paid into the coffers of the Third Reich and therefore the Austrians reject responsibility, contending that it is for the Germans to repay the collected taxes. On the other hand, the Germans in The Hague equally refused to accept responsibility as they regard Austria as having been a co-responsible part of the Third Reich and because the Germans invested much more in Austria than they took out of the country.

The question of legal and moral responsibility has therefore to be straightened out between the Germans and Austrians. A suitable opportunity for this would arise at the German-Austrian negotiations on the financial relations of the two countries : Such negotiations will probably take place in the near future as a result of the German External Debts Conference which left the financial problems between Germany and Austria unsettled. The Western Allies would probably participate in the German-Austrian negotiations. The Jewish organisations should therefore demand :

- a) an undertaking on the part of Austria to make the question of responsibility for the Jewish Levy and Flight Tax an item in the forthcoming German-Austrian negotiations. In case there is no agreement reached, some form of arbitration should be provided.

IV) COMPENSATION.

The only existing compensation measure is contained in the recently passed Law on Compensation for Loss of Liberty. This Law is however unsatisfactory as it restricts compensation to Austrian nationals and this excludes from the benefit of the Law all former Austrian Jews who since their emigration from Austria became stateless or foreign nationals.

Suggested demands :

a) Extension of the Law on Compensation for Loss of Liberty

- i) to include all former Austrian victims irrespective of their present nationality and residence;
- ii) to include victims who survived through hiding (so-called "U-Boote") as well as the Shanghai group.

- b) Legislation on compensation for loss of life, damage to health, loss in economic advancement, etc.

V) FORCED LABOUR.

The former inmates of concentration camps in Austria have presented a claim to the Austrian Government for indemnification for the labour which they were forced to perform for the State or for private industrial firms in Austria during the Nazi period. This claim should be supported by the Jewish organisations. The indemnification could be paid partly by the State, partly by the individual firms concerned.

VI) PENSION CLAIMS.

Suggested demands :

- a) Full recognition of the pension rights of former Austrian civil servants, bank and other employees, irrespective of whether they reside in Austria or abroad;
- b) Transfer facilities for the pensions of claimants abroad.

GENERAL REMARK :

It is important to set out and substantiate in detail the various claims. It will be a subject of the negotiations whether they should be settled by legislative measures or partly or entirely by global payments.

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YIVO Documents

YIVO stands for Yiddish Scientific Institute

YIVO RG 347.7

American Jewish Committee

Initials in description of source of documents:

EXO = unknown

FAD = Foreign Affairs Department

GEN = General

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YIVO RG 347.7
AM. JEW. COM (FAS) 41-46
Box 1, File 6
(FAD=Frng Affrs Dept.)

November 28, 1951

JRSO Paris Letter No. 72

Mr. Jerome J. Jacobson - AJDC Paris

Dear Jerry:

We met on Monday with Harold Trobe to discuss steps to be taken in support of the negotiations with the Austrian government on the appointment of a Jewish successor organization in Austria. It was decided that

1) A few senators will be requested to write letters to the State Department, inquiring about the action on heirless Jewish property in Austria. Sy will make an effort to obtain letters from Senators Douglas, Taft and O'Connor. These letters are intended to strengthen Mr. Donneley's pressure upon the Austrians by stating that the State Department and he received strong expressions of criticism of Austrian inaction in this field from outstanding congressional personalities. It was felt that the Austrians may be particularly sensitive to this type of pressure, in view of the recent curtailment of ECA assistance to Austria and the Austrian government's efforts to obtain restoration of the cut.

2) A delegation representing the four organizations would visit Mr. Kleinwaechter, the Austrian Ambassador in Washington. The delegation will try to talk plain turkey with him, telling him that the Jewish organizations have patiently waited for years for the Austrians to move in a matter which has now received full recognition by the U.S., Britain, and France. The organizations feel that the time may be close to enlighten American public opinion on Austria's failure to enable the utilization of heirless Jewish assets for the relief and rehabilitation of Jewish victims of Nazi persecution.

Sy is trying to arrange an appointment with Kleinwaechter for the week of December 3rd. The question was raised whether the bulk settlement idea should be injected into the discussion. Harold Trobe felt that it may be premature and should rather come from the Austrians. We have decided against newspaper publicity at this time in order to retain some ammunition for a later stage of the Austro-Jewish War of Succession.

I hope that you may find it possible to induce the British and French organizations to visit the Austrian Ambassador or Minister in the respective capitals so that the Foreign Ministry in Vienna begins to realize that some concerted effort is in the making. I gather from your letter of November 13th that Barnett Janner will endeavor to obtain a Foreign Office inquiry with the British High Commissioner for Austria on the same subject. In this connection I believe that our position vis-a-vis the Austrians became stronger with the recognition of the principle of a Jewish successor organization by the French.

Sincerely yours,

Saul Kagan

cc: EH
BBF
MAL
NR
SR

337997

Austrian Property Settlement

YIVO RG 347.7
American Jewish Committee

THE



AMERICAN JEWISH COMMITTEE

386 FOURTH AVENUE, NEW YORK 16, N. Y. Cable Address, "WISHCOM, NEW YORK" (Frqn Affrs Dept. 41-46)

Telephone MURRAY HILL 5-0181

Box 1 File 6

JACOB BLAUSTEIN, *President*
IRVING M. ENGEL, *Chairman, Executive Committee*
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JESSE H. STEINHART, *San Francisco, Vice-President*
ALAN M. STROOCK, *New York, Vice-President*
FRANK L. SULZBERGER, *Chicago, Vice-President*

MEMORANDUM

To: Paris Office

November 28, 1951

From: New York Office

Subject: Austrian heirless property fund

At a discussion with Harold Trobe here, the four organizations decided yesterday to start a campaign for inducing the Austrian government at last to establish the heirless property fund for which plans had been jointly submitted to them years ago by the AJC, the JDC and the WJC.

It was decided that a joint delegation will see Ambassador Kleinwaechter in Washington, that the AJC will ask the Department of State to indicate to Austria their interest in the settlement of this question, and that Sy Rubin will secure letters from a few Senators to the Department of State which would serve as occasions for further official representations in Vienna.

What we have in mind is a possibly quick bulk settlement in the vicinity of 100 million schillings, with the bulk transferable abroad by the JDC and the JAFF. At this stage, however, we would talk to the Austrians only about the establishment of the fund.

You will be informed about developments.

Heaven

EH:ha

337998

PRESS RELEASE #684 DATED 12 JUNE 1951

FOR IMMEDIATE RELEASE

Box 1 File 6

U.S. HIGH COMMISSIONER REAFFIRMS THE POLICY FOR
RESTITUTION OF IDENTIFIABLE PROPERTY

The U.S. High Commissioner has stated in a letter to the four Ministers President of the U.S. Zone, released today by HICOG that restitution of property to victims of National Socialist persecution will continue in accordance with the provisions of MG Law 59.

The letter of the High Commissioner was written as the result of letters and comments in the German press, proposals circulated by pressure groups and statements attributed to certain German officials, all of which encouraged speculation as to the future policy of the U.S. with respect to MG Law 59.

"Holders of property subject to restitution will not be relieved of the obligation imposed by the law". Mr. McGloy said in his letter, addressed to the Minister President Dr. Hans Ehard, Bavaria, Minister President George August Zinn, Hesse, Minister President Dr. Reinhold Maier, Wuerttemberg-Baden, Senate President Wilhelm Kaisen, Bremen.

Among the group encouraging speculation as to the future policy of the U.S. concerning restitution is an association mainly established to protect present holders of property against those deprived thereof under National Socialism. This organization recently submitted a draft restitution law to the Law Committee of the federal parliament which seeks to reverse the basic principle of MG Law 59.

The basic principles of law 59 are that identifiable property shall be restored as quickly as possible to persons who were "wrongfully deprived of such property within the period from 30 January 1933 to 8 May 1945 for reasons of race, color, religion, nationality, ideology or political opposition to National Socialism" and that "property shall be restored to its former owner or his successor in accordance with the provisions of this law, even though the interest of other persons who have had no knowledge of the wrongful taking must be subordinated."

The activities of anti-restitution groups and individuals have led holders of property subject to restitution to hope that present U.S. policy might give way to public pressure, thus creating a tendency to litigate rather than to participate in amicable settlements.

The current restitution report shows that of the 117,246 petitions received by restitution authorities between 10 November 1947 and 31 December 1948, about one-half or 58,252 have been disposed of as of 31 May 1951. 32,324 cases were disposed of by amicable settlement and 19,399 by withdrawal, while only 2,963 were disposed of by decision and 3,566 by dismissal, thus almost 90% of all cases disposed of have been voluntarily settled. The total estimated value of property restituted to 31 May 1951 is DM 626,888,809.

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Press Release #684 Dated 12 June 1951

-2-

The text of Mr. McCloy's letter dated June 11, 1951 is as follows:

My dear Senate President
Mr. Zinn
Mr. Ehard
Mr. Maier

During recent months there has been brought to my attention letters and comments appearing in the German press, proposals circulated by organizations and statements attributed to Laender government officials which appeared to encourage speculation on the policy of the U.S. with respect to ^{restitution of} identifiable property under U.S. MG Law 59.

In view of the publicity given the criticism and suggestions relating to U.S. MG Law 59, I take this opportunity to reaffirm the policy of my government that persons and organizations deprived of their property as a result of National Socialist persecution, should either have their property returned or be compensated therefor. I can further advise you that there is no intention to depart from these principles, as expressed in MG Law 59 and I do not anticipate any the future developments which will relieve the holder of property subject to restitution from the obligation imposed by this law.

It is suggested that you make known to the officials of your government engaged in the administration of the restitution law that U.S. policy remains unchanged in this respect. To allay any doubts which may have arisen in the minds of the general public I am taking the liberty of releasing this letter to the press.

Sincerely yours,

JOHN J. McCLOY
U.S. High Commissioner for Germany

338000

February 14, 1950

Dr. F.R. Bienenfeld
World Jewish Congress
55, New Cavendish Str.
London - W.1.

Dear Dr. Bienenfeld:

OGC/A/1159 - Austrian Heirless Property.

Yesterday, Mr. Jacobson, Mr. Isenbergh and I studied again the English as well as the German drafts of the law, using my comments of October 5, 1949, copy of which has been sent to you.

I wish to inform you that we have made some changes in the English text on the basis of your German draft and on the other hand have changed in some points the German draft. Please find attached copy of each of the new drafts from which the changes made are evident.

There still remains a difficult problem to be solved, viz. the wording of the provisions concerning the Arbitration Court (Para 6). The difficulty lies in the fact that we wish to have separate provisions for the composition of the Arbitration Court in cases where two successor funds are interested. According to the wording of your German draft which follows a previous suggestion of Mr. Isenbergh, the Arbitration Court in such cases would be composed of three arbiters, no one of them appointed by the successor funds. It might happen that no one of these three arbiters would be in favor of the Jewish Successor Fund and it could happen that all three would be anti-Semites. It is difficult to find a solution. I thought that the following might lead us to an acceptable formula:

In cases where the Restitution Office denies the right of a certain successor fund to receive certain heirless assets because in the opinion of the Restitution Office these assets belong to another successor fund (Para 3.3.) the Restitution Office should be under obligation to serve its decision to both interested successor funds. These two successor funds have then the possibility to either reconcile their interests or, if no amicable agreement can be reached, the successor fund whose claim has been denied by the Restitution Office can apply to the Arbitration Court. The other successor fund in whose favor the Restitution Office has decided has of course no possibility to file application by writ with the Arbitration Court. This successor fund however should be entitled to receive copy of the application made by the other successor fund and could then decide

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- 2 -

whether or not to join the arbitration proceedings as an intervener in accordance with general procedural provisions.

In such cases I would suggest that a five member Senate should be set up composed of two arbiters taken from the list of arbiters presented by the Restitution Office and two others, each of them taken from the respective lists of the successor funds. The fifth would of course be the President of the Arbitration Court or one Deputy Chairman. This solution would in my opinion be acceptable even if it might be a bit more expensive. Anyhow by such a solution each of the successor funds would have at least one arbiter in the Court.

There is still another point in the draft which should be amended. I believe that the designation of the arbiters should be made in the following way:

The Restitution Office as well as each of the successor funds should submit to the Minister of Justice or the Oberlandesgericht, (or to another Authority) a list containing ~~the~~ number of persons to be designated as arbiters and this authority should nominate arbiters out of this list. The same Authority, or a higher one, should nominate the President of the Arbitration Court and a number of his Deputies who, if necessary, should be appointed Chairmen of the 2d, 3d, etc., Bench (Division) of the Arbitration Court. The President of the Court himself should of course have to establish permanent Benches (Senate) viz. separate Benches for disputes of each of the successor funds and if necessary one or more five members Senates.

I further should like to point out that it might be necessary to tell something more in the law than stated so far in the drafts concerning the Arbitration Court procedure.

We all would very much appreciate your thinking over once more the problem of the Arbitration Court.

As mentioned in my Memorandum of October 5, 1949, we all found the report on motives to be an excellent one and I should like to ask you only to consider my suggestion that also the first and second restitution laws should be mentioned in this report.

Mr. Jacobson is writing you separately on the questions of further procedure and tactics.

I remain, with best regards,

Yours sincerely,

Dr. Kurt Wehle
Attorney

KW/ev

338002

YIVO Documents

YIVO stands for Yiddish Scientific Institute

YIVO RG 347.7

American Jewish Committee

Initials in description of source of documents:

EXO = unknown

FAD = Foreign Affairs Department

GEN = General

WASHINGTON, D. C.

(FAD=Foreign Affairs
Dept.)

July 18, 1946

Dear Justice Sandström:

Delegations representing the Governments of the United States of America, France, and the United Kingdom of Great Britain and Northern Ireland on the one hand (hereinafter referred to as the Allies) and the Government of Sweden on the other hand have met in Washington and exchanged views on questions relative to German interests in Sweden and the elimination of any possible risk of those interests being used to support renewed German aggression.

Following this exchange of views, and in reaffirmation of their mutual support of these economic security objectives, the Swedish and Allied Delegations have arrived at the following understanding:

1. (a) The Swedish Government confirms its intention to pursue a program of economic security by the elimination of German interests in Sweden.

(b) The Swedish Government further affirms that the Foreign Capital Control Office (Flyktkapitalbyrå or the FCCO) will, for this purpose, continue to uncover, take into control, liquidate, sell, or transfer German property, that the procedure already informally established between the FCCO and the Allied Missions in Stockholm shall be continued, as previously, as a means of exchanging information regarding the discovery and liquidation of German property and affording mutual assistance in this program.

Justice Emil Sandström

Chief of Swedish Delegation

338004

2. The disposition of the proceeds of the German assets in Sweden, after clearing against certain Swedish claims, will leave a balance which shall be considered to be 150 million kronor. To assist in preventing disease and unrest in Germany, this sum of 150 million kronor will be made available in a special account with the Swedish Riksbank to be used for financing such purchases - in Sweden or in any other market - of essential commodities for the German economy as may be agreed upon between the Swedish Government and the Allies. Insofar as such purchases are made in the Swedish market the deliveries will be limited by the scarcity of available supplies.

3. The German owners concerned shall be indemnified in German money for the property which has been liquidated or disposed of in Sweden pursuant to this understanding. For this purpose, the competent Swedish authority will give the Allies the necessary details with regard to the amount realized with particulars of the names and addresses of the German owners, and the Allied authorities in Germany will take the necessary steps in order that there will be recorded the title of the German owners of the property liquidated to receive the counter value thereof.

4. (a) In pursuance of its policy to reconstitute looted property, the Swedish Government will effect restitution to the Allies of all gold acquired by Sweden and proved to have been taken by the Germans from occupied countries, including any such gold transferred by the Swedish Riksbank to third countries. Any claims by Governments of the occupied countries or their banks of issue not presented before July 1, 1947 shall be considered to be barred.

(b) On the basis of present evidence, subject to further checking, it is assumed that the gold the Swedish Government has to restitute amounts to 7,155.32664 kilograms of fine gold, corresponding to the quantity of gold deriving from the Bank of Belgium which was acquired by the Swedish Riksbank and which is to be restituted in accordance with the foregoing.

(c) The Allied Governments undertake to hold the Swedish Government harmless from any claims deriving from transfers from the Swedish Riksbank to third countries of gold to be restituted according to the above declaration.

5. Divergencies on the interpretation and scope of the above clauses may, if the four Governments do not otherwise agree, be referred to arbitration.

6. The undersigned representatives of the Governments of the United States of America, France, and the United Kingdom of Great Britain and Northern Ireland state that insofar as the preceding provisions are concerned, they are also acting on behalf of the Governments of Albania, Australia, Belgium, Canada, Denmark, Egypt, Greece, India, Luxembourg, Norway, New Zealand, the Netherlands, Czechoslovakia, the Union of South Africa and Yugoslavia, and so far as it is material, the banks of issue of those countries.

7. (a) The three Allied Governments will make arrangements, through their Missions in Stockholm, for the admission of an official Swedish delegation which will be permitted to visit the zones of Germany in the charge of those Governments, and to inspect properties of corporations in which Swedish nationals have a substantial ownership interest, or which are directly owned by

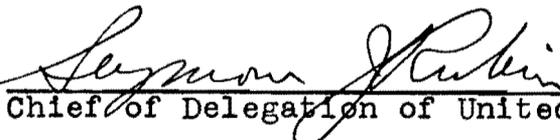
Swedish nationals. The inspection and other activities of the delegation will be limited only by general requirements of military security and convenience, and by such general laws and regulations as are applicable to all persons travelling in Germany.

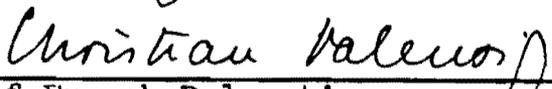
(b) It is the intention of the three Allied Governments to give non-discriminatory protection to the property in Germany of nationals of friendly foreign states, including property of corporations in which they have a substantial ownership interest. Provision will be made for equitable compensation in Germany with respect to removals and other dispositions of such properties by the Allied authorities in the zones of Germany occupied by them.

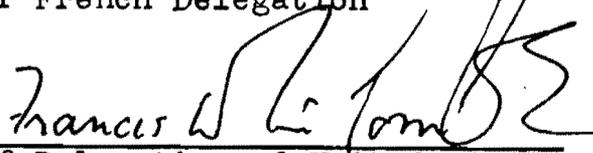
8. The Allied Governments will, in due time, require Germany or the future German Government to confirm the provisions of this understanding insofar as they affect German property in Sweden.

9. This understanding, together with the further letters exchanged today, shall, except where otherwise provided, take effect upon approval by the Swedish Riksdag.

Accept, Sir, the renewed assurances of our most distinguished consideration.


Chief of Delegation of United States


Chief of French Delegation


Chief of Delegation of United Kingdom

July 18, 1946

Gentlemen:

I am authorized to make, on behalf of my Government, the following statement.

The Swedish Government in pursuing its policy to participate in the work of reconstruction and rehabilitation has in connection with the understanding we have reached found it appropriate to make the following contributions:

1. The Swedish Government will make available 50 million kronor to the Inter-Governmental Committee on Refugees for use in rehabilitation and resettlement of non-repatriable victims of German action.

You may rest assured that my Government, while reserving its decision as to the manner in which the funds will be made available, will use its best efforts to make the funds available as soon as possible and in such manner as to best carry out the aims of the Committee.

2. The Swedish Government will further make available 75 million kronor, which it will allocate among countries party to the Paris Agreement on Reparations. Decisions upon allocation will be made after exchanges of views with the Allies acting on behalf of those countries and with favorable consideration of their views.

To the Chiefs of the

Allied Delegations

338008

There will also be consultation between the Swedish Government and each of the countries which may receive credit for any part of this sum as regards the extent to which or manner in which benefit from its share shall be applied either in the remission, reduction or extension of any existing or future credit with Sweden of each such country, or otherwise, as may be agreed between each such country and Sweden.

Accept, Gentlemen, the renewed assurances of my most distinguished consideration.


Eric Landstrom
Chief of Swedish Delegation

WASHINGTON, D. C.

YIVO RG 347.7
American Jewish Committee
(Frngn Afrs Dept. 41-46)
Box 46 File 1

July 18, 1946

Dear Justice Sandström:

In connection with the understanding we have reached, it has been agreed that, pending the conclusion of multilateral arrangements, to which it is the intention of the Allies to invite the Swedish Government to adhere, and pending the decision of the Swedish Government regarding participation in such arrangements, no German owned patent in Sweden shall be sold or otherwise transferred for a period of three months from today's date or such further period as may then be agreed, except where, after notice to the Allies, it is found appropriate to sell patent rights as part of the sale of a German-controlled enterprise.

We have also discussed the problems arising out of German trademarks and copyrights. The Allied Governments contemplate that international discussions may also take place with respect to these matters, with the objective of establishing by agreement general policies with a view to eliminating certain German trademarks and to making freely available to the community such German copyrights as have special value. Pending the making of multilateral arrangements and the decision of the Swedish Government regarding participation in such

Justice Emil Sandström

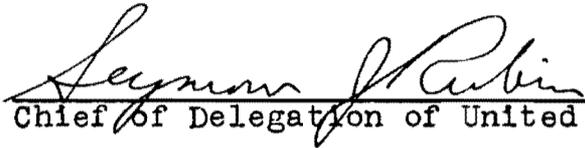
Chief of Swedish Delegation

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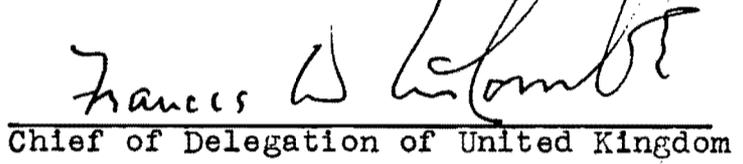
YIVO RG 347.7
AJC (FAD 41946)
Box 46 File 1

arrangements, it is hoped that the Swedish Government will not take any action which would preclude their adherence to a policy consistent with such arrangements.

Accept, Sir, the renewed assurances of our most distinguished consideration.


Chief of Delegation of United States


Chief of French Delegation


Chief of Delegation of United Kingdom

338011

WASHINGTON, D. C.

YIVO RG 347.7

American Jewish Committee
(Frngn Afrs Dept. 41-6)
Box 46 File 1

July 18, 1946

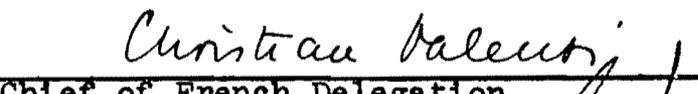
Dear Justice Sandström:

During the course of the discussions which have been concluded concerning German property in Sweden, you advised us of the procedures in effect in Sweden for the restitution of property located in Sweden which was looted by Germany or its nationals. You made known to us the fact that these procedures, as established by Swedish law of June 29, 1945 (No. 520), provide a simple and inexpensive method by which victims of spoliation may obtain restitution of their property in Sweden.

We wish to express our appreciation of these procedures which we have confidence the Government of Sweden will continue. In this connection, you will recall that the problem of locating looted securities was discussed. We appreciate the fact that your Government will consider sympathetically this problem and such procedures as the Allied Governments may subsequently propose to you for the purpose of facilitating the location of such securities.

Accept, Sir, the renewed assurances of our most distinguished consideration.


Chief of Delegation of United States


Chief of French Delegation


Chief of Delegation of United Kingdom

Justice Emil Sandström

Chief of Swedish Delegation

338012

WASHINGTON D. C.

YIVO 347.7
American Jewish Committee
(Frng Affrs Dept. 41-46)
Box 46 File 1

July 18, 1946

Gentlemen:

I have the honor to acknowledge receipt of your letter of today's date in the following terms:

"During the course of the discussions which have been concluded concerning German property in Sweden, you advised us of the procedures in effect in Sweden for the restitution of property located in Sweden which was looted by Germany or its nationals. You made known to us the fact that these procedures, as established by Swedish law of June 29, 1945 (No. 520), provide a simple and inexpensive method by which victims of spoliation may obtain restitution of their property in Sweden.

"We wish to express our appreciation of these procedures which we have confidence the Government of Sweden will continue. In this connection, you will recall that the problem of locating looted securities was discussed. We appreciate the fact that your Government will consider sympathetically this problem and such procedures as the Allied Governments may subsequently propose to you for the purpose of facilitating the location of such securities."

I confirm that the above law will continue to be in force for the time being but that it will expire on July 1, 1947, unless extended. I also confirm the willingness of the Swedish Government to cooperate, in particular, in locating looted securities within the framework of Swedish legislation and within the limits of practical possibilities.

Accept, Gentlemen, the renewed assurances of my most distinguished consideration.


Chief of Swedish Delegation

To the Chiefs of the
Allied Delegations

338013

WASHINGTON, D. C.

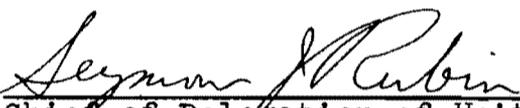
YIVO RG 347.7
American Jewish Committee
(Frng Affrs Dept. 41-46)
Box 46 File 1

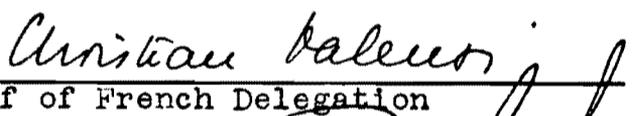
July 18 , 1946

Dear Justice Sandström:

In connection with the understanding we have reached, we have discussed the property in Sweden of the German State Railways. We understand that the Swedish Government will give favorable consideration to the question of putting the rolling stock and accessories found in Sweden of the German State Railways at the disposal of the appropriate Allied authorities.

Accept, Sir, the renewed assurances of our most distinguished consideration.


Chief of Delegation of United States


Chief of French Delegation


Chief of Delegation of United Kingdom

Justice Emil Sandström

Chief of Swedish Delegation

338014

WASHINGTON, D. C.

YIVO RG 347.7
American Jewish Commtee
(Frgn Affrs Dept. 41-46)
Box 46 File 1

July 18, 1946

Dear Justice Sandström:

In connection with the coming into effect of the understanding we have reached, I am authorized to state that the United States of America will at the earliest possible date thereafter unblock the Swedish holdings in the United States, according to a procedure to be worked out by officials of that country and Swedish officials.

Accept, Sir, the renewed assurances of my most distinguished consideration.

Very truly yours,



Seymour J. Rubin
Chief of Delegation of United States

Justice Emil Sandström

Chief of Swedish Delegation

338015

WASHINGTON, D. C.

July 18, 1946

Dear Mr. Rubin:

I have the honor to acknowledge receipt of your letter of today in the following terms:

"In connection with the coming into effect of the understanding we have reached, I am authorized to state that the United States of America will at the earliest possible date thereafter unblock the Swedish holdings in the United States, according to a procedure to be worked out by officials of that country and Swedish officials."

Accept, Sir, the renewed assurances of my most distinguished consideration.

Very truly yours,



Emil Sandström
Chief of Swedish Delegation

Mr. Seymour J. Rubin

Chief of Delegation of United States

338016

YIVO 26-347.7
Am. Jew. Com. (FAD 41-46)
Box 46, File 5

(FAD=Foreign Affairs Dept.
Box 46 File 5

November 4, 1949

Dear Justice Sandstrom:

I am extremely grateful for the opportunity of meeting you in Stockholm recently for a discussion of the question of heirless assets in Sweden formerly owned by victims of Nazi action. Your sympathetic and cordial reception was most gratifying.

As I suggested in the course of our talk, it is likely that a conclusion as to the non-existence of heirless assets in Sweden with respect to German property would not necessarily hold true with respect to property originating in other countries where different conditions affecting both escape of capital and heirlessness obtained.

In accordance with the conversation previously had with Minister Zetterberg, which I believe I mentioned to you, the Joint Distribution Committee, the World Jewish Congress, and the American Jewish Committee have submitted the proposal set forth in the enclosure. As stated in the letter to Minister Zetterberg, we believe that an inquiry of the kind suggested could alone afford an authoritative estimate of the dimensions of the problem.

Thanking you again for your friendliness, I am

Yours respectfully,

AMERICAN JEWISH COMMITTEE
NEW YORK OFFICE

JOHN B. GARDNER, Executive Vice-President
DAVID B. HENK, Chairman, Administrative Committee
FRANK M. ELKHOORN, Vice-Chairman, Executive Committee
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JOSEPH R. BROOKHUIS, President

Mr. Justice Emil Sandstrom
Flytkapitalbyran
Horslagargatan 2
Stockholm, Sweden

AMERICAN JEWISH COMMITTEE

AMERICAN JEWISH COMMITTEE



AMERICAN JEWISH COMMITTEE

338017

November 3, 1949

MEMORANDUM

To: Foreign Affairs
From: Max Isenbergh
SUBJECT: Sweden

In Stockholm from October 18 to October 25 to look into heirless assets and the propaganda activities of Einar Aberg, I had discussions with the following:

Herman Zetterberg, Minister of Justice and Sven Edling, Permanent Secretary of the Ministry of Justice. (These discussions were in company with the Marchioness of Reading and Dr. Bienenfeld, who had arranged to see the Minister prior to my arrival, they being in Stockholm on the occasion of a fund raising campaign which the World Jewish Congress was running in Sweden.)

Sven Salmonson, a leading Stockholm lawyer who often represents the Swedish government on alien property questions and with whom I had had prior dealing when I was in Sweden representing the Department of Justice.

E. Burling, General Consul of the Svenska Handelsbanken.

Ernst Baburger, a lawyer for the World Jewish Congress in Stockholm.

Josef Flachler, a Stockholm lawyer active in Jewish affairs.

David Kornivsky, Secretary of the Mosaiska Forsamlingen (the official Jewish Community of Stockholm).

Hugh Gunning, Counselor of the United States Embassy.

Richard Breithut, Representative of the United States Treasury.

John Tuthill, Economic Counselor of the United States Embassy.

Robert Donhauser, Cultural Attache, formerly assigned to matters related to the Swedish-Allied Accord.

338018

Denis Flinn, Second Secretary of the United States Embassy.

Emil Sandstrom, formerly Chief Justice of the High Court of Sweden, now a member of the International Court of Arbitration at the Hague and of the United Nations International Law Commission, and Head of the Swedish Red Cross. He was head of the Swedish Delegation in the 1946 negotiations preceding the Swedish-Allied Accord and is now head of the Swedish Foreign Capital Control Office in whose jurisdiction heirless assets of German origin would lie.

Heirless Assets

Among the papers constituting the 1946 Swedish-Allied Accord on assets of German origin is an exchange of letters between Justice Sandstrom, representing Sweden and Messrs. Rubin, Valensi and McComb representing the United States, France and the United Kingdom. The exchange constitutes a confirmation of Sandstrom's agreement to recommend to his government that it should "take steps with a view to putting at the disposal of the 3 Allied Governments, for purposes of relief, the proceeds of property found in Sweden which belong to victims of Nazi action who have died without heirs." This declaration dated July 18, 1946, provided a formal basis for representation to the Swedish Government.

Minister of Justice Zetterberg whom we saw first, said that in his opinion the amount of heirless assets in this category is negligible and, that there would be no ground for initiating the legislative action which would be necessary to carry out the undertaking expressed in the Accord. Dr. Bienenfeld and I stated that we agreed that legislative action would not be advisable if the dimensions of the problem did not warrant it, but suggested that the Swedish Government circularize banks, bankers and other depositaries to find out the number of accounts originating from German occupied sources with respect to which there had been no communications since 1945. We stated that in the absence of an authoritative investigation of this type, there could be no assurance that substantial amounts of heirless property did not exist. Minister Zetterberg stated that such an investigation would itself require legislation in that it would run counter to present Swedish secrecy laws. When we replied that none of the persons circularized need be asked for information about individual accounts, but merely to give the sum total of such accounts to the government, Minister Zetterberg asked us to present our proposal to him in writing. Minister Zetterberg was apparently sympathetic and cordial, but promised nothing. We emerged only with his representation that he would like to have our proposal in writing for formal consideration. I have drafted a memorandum to the Minister and as soon as it is cleared with the JDC and the World Jewish Congress, it will be submitted jointly.

After the meeting with Minister Zetterberg, I saw all the American diplomatic representatives listed above. Only Mr. Donhauser, who worked on these problems in the past but is now operating in a different field, and Mr. Cumming who as Counselor to the Embassy is informed on the broad outlines of the question, were at all familiar with the problem. Both Mr. Breitbart and Mr. Tutthill had to be briefed from the beginning. They all responded with apparent willingness to help, and the upshot is

former owners were either alive or had a surviving heir. Justice Sandstrom also said that in 1946 shortly after the signing of the Accord all Swedish Courts were circularized and requested to report heirless property of German origin formerly belonging to victims of Nazi action to the government. To date none has been declared. He further stated that the Public Inheritance Fund has gotten small amounts of heirless assets each year but it has been almost without exception property of Swedish origin. The only two cases known to the Public Inheritance Fund of heirless property of non-Swedish origin were from the Baltic states, the owners were not victims of Nazi persecution, the aggregate amount was about one hundred kronen, and moreover, the Fund was able to ascertain to its satisfaction the intention of the deceased and to make a distribution accordingly.

He said that the situation in Sweden was quite different from that in Switzerland in that Sweden never enjoyed an extensive business as an international banking nation. He said that he was convinced in short, that there were no heirless assets formerly owned by victims of Nazi action in Sweden and indeed admitted that he was of that opinion in July, 1946, when he signed the letter to the Allies on heirless assets. He stated his willingness to write a letter to me stating his belief that there were no such heirless assets in Sweden.

I suggested that it might be misleading to generalize from the conclusions of the Capital Control Office with respect to property of German origin, since it was likely that most of the heirless property of victims of Nazi action originated elsewhere. This is so because although a great number of people were killed in Germany, the phenomenon of heirlessness was likely to be rare among the class who managed to get some capital abroad. I also suggested that the information received from the Courts could not be a decisive guide in that there would be no occasion for heirless assets of the type in which we were interested to come to the attention of the Courts. Similarly, the information received by the Public Inheritance Fund, since that too came via the Courts, would not be likely to comprehend the situations of concern to us. I therefore suggested that no one could be certain of the probable dimensions of heirless property of Nazi victims in Sweden without an inquiry addressed to banks and other likely depositaries.

Justice Sandstrom stated that the government had imposed vexatious burdens of investigation on Swedish banks already in connection with locating German property and would therefore be reluctant to burden them again on this question, especially since, in his view, there was no real likelihood that substantial amounts of such property existed. He also said that Sweden's secrecy laws would complicate such an inquiry. I stated that the request addressed to the banks and other depositaries need not entail any laborious research and that no question of violating the secrecy laws was involved. It would be enough merely to ask the estimated aggregate amount of accounts which had remained inactive since 1945. No further details would be necessary. Granting that some of this aggregate might not belong in the category in which we are interested (although the bulk of it probably would), the figure would indicate the maximum dimensions of the problem and afford an authoritative basis for determining whether further action was necessary.

As to Justice Sandstrom's offer to write a letter, I suggested that it would seem preferable to wait until such an investigation had taken place and that in any event he might think it more appropriate to address the letter to the signatories of the

Accord rather than to us. I told Justice Sandstrom of the earlier meeting with Minister Zetterberg and stated that in view of that meeting I proposed to go ahead with the project of submitting a memorandum requesting an investigation to the Minister. I told Justice Sandstrom that a copy would be sent to him.

When I discussed my conversation with Justice Sandstrom subsequently with a Jewish lawyer in Stockholm, he told me of a single case of heirless property of non-Swedish Jewish origin in Sweden amounting to two million kronen. I have not yet received requested verifying details from this lawyer.

The officials at the American Embassy to whom I reported the conversation with Justice Sandstrom said that they would support our memorandum by indicating both to Minister Zetterberg and Justice Sandstrom that they thought the terms of the Accord would not be satisfied without some definitive investigation of the extent to which heirless assets of Nazi victims existed in Sweden.

ABERG

At our meeting with Minister Zetterberg we pointed out that Aberg's Sturmer-like propaganda was being received in the United States, Italy and South American countries and that we hoped that the Swedish authorities would succeed in effectively silencing him. Minister Zetterberg stated that he regarded Aberg's activities as a dirty affair and wished he would stop. He added however, that no one in Sweden took Aberg seriously and that in fact he was regarded as a completely unimportant crackpot. He then said that the strong tradition of freedom of speech in Sweden made it very difficult to take legal action against Aberg there. We responded by saying that Aberg appealed to a much less intelligent audience in other countries and that his propaganda, however ridiculous, served to keep Nazi ideas alive. We showed the Minister a photostatic copy of an envelope bearing a Swedish postmark and stated that Aberg's foreign audience was not careful enough to understand that he was an unimportant single individual in Sweden but probably tended to associate these Nazi thoughts with Sweden generally. Hence, we suggested that it would be strongly in the interest of Sweden to suppress Aberg. Minister Zetterberg and Mr. Edling, the permanent Secretary of the Ministry, read the examples of Aberg's literature I had brought along with me with great interest. They pointed out that it would be difficult to proceed against Aberg under the general laws against defamation in Sweden at the present time and that the new "Lex Aberg" would not go into effect until January 1, 1950. We asked the Minister to consider barring Aberg from the mails as a temporary expedient pending criminal prosecution. He said that he would carefully consider this matter, but expressed doubts as to his powers in this respect under the relevant International Postal Conventions, and reiterated his general reluctance to do anything inconsistent with the Swedish tradition of free speech. We stated that in England and the United States there was a similar tradition of free speech but that no one thought it protected defamatory utterances and that it was our understanding that Swedish law was not different in this respect. In regard to the International Postal Conventions we said that they expressly provided for barring people from the mails if their use of the mails was in furtherance of criminal conduct. We suggested that in view of the defamatory nature of Aberg's literature, his use of the mails would come within this category.

We also asked Minister Zetterberg to seek to determine who provided Aberg's financial support. Emphasizing the stake that Sweden had in preventing the creation of a wrong impression abroad, we stated that this would be an appropriate subject for

Memo - Foreign Affairs

-6-

governmental inquiry. Again, Minister Zetterberg said he would carefully consider our suggestion.

I spoke to Mr. Sven Salmonson, a leading Swedish lawyer, about the feasibility of our retaining investigators to find out the source of Aberg's financial support. He stated that while there was no law in Sweden preventing our following this course, he would advise strongly against it since the disclosure of investigators of foreign source in Sweden would raise embarrassing questions which had better be avoided.

At the Embassy, Mr. Cumming, the Counselor, stated that he thought that if Aberg persisted in his activities a prosecution would be begun against him shortly after the new law became effective in January, 1950. He stated that it might be possible within the precise framework of one of the Postal Conventions for the United States to make a representation to the Swedish Government about Aberg's activities. He said he did not know what the provisions of the relevant Conventions were in this respect nor whether the representations which might be made should be by Postal Authorities or by the State Department. He suggested that our New York or Washington office might want to look into this question. He said that the Embassy had previously expressed to the Swedish Government its interest in having Aberg stopped and that he would be prepared to do so again if no prosecution were initiated against Aberg after the new law became effective.

Mr. Cumming sent me to see Denis Flinn, the Second Secretary of the Embassy, who had done some work on the Aberg case in the past. Flinn also said he thought that a prosecution would be started in January or shortly thereafter. Flinn also said that he thought that Aberg had only a few small backers and that he did not believe that he operated on a large scale.

David Kõpniwsky, Secretary of the Mosaiska Forsamlingen, was also confident that Aberg would be subjected to prosecution soon after the first of the year. He said that the Community had had some doubts about the desirability of the "Lex Aberg" which penalized group defamation but that now they were satisfied that the enactment was a fortunate development. He said that he suspected that Aberg had a single backer, but had no proof. He mentioned as a suspect one Carlberg, the inheritor of a considerable fortune, who was known for his active association with the Nazi organization in Sweden in the past and who might be disposed toward finding some outlet like Aberg now that the Nazi organization was dead. At my request, he said that the Mosaiska Forsamlingen would immediately hire a professional investigator to seek to find out definitely who is supporting Aberg. He did not ask for any financial assistance from the Committee.

sl:ss

338022

PROPOSED DRAFT LETTER TO HERMAN ZETTERBERG, SWEDISH MINISTER OF JUSTICE

Box 46 File 5

28/10/49

Dear Mr. Minister:

Because the undersigned organizations have long been actively concerned with furthering the spiritual and material recovery of surviving victims of Nazi persecution, they are especially aware of the universal admiration which the government of Sweden and her citizens have deservedly won for themselves by their splendid generosity and devotion in this field. Your own friendly and sympathetic reception to the proposals with respect to heirless property recently presented to you by Lady Reading, Dr. Bienenfeld, and Mr. Isenbergh is a most gratifying personal confirmation of this aspect of Swedish humanitarianism.

Following out your suggestion, we submit a brief outline of the proposal discussed with you. In essence it is quite simple, being addressed only to the preliminary stage of effectuating the recommendation embodied in Justice Sandstrom's note of July 18, 1946, to the delegates of France, the United Kingdom, and the United States. That recommendation, that heirless assets in Sweden formerly owned by victims of Nazi action be devoted to purposes of relief, requires first of all an authoritative estimate of the dimensions of the problem. It is only on the basis of such an estimate that a definitive settlement would appear possible.

We therefore take the liberty to propose that the Swedish Government circularize Swedish banks, bankers, safety deposit institutions, and other possible repositories of assets of the kind in question. ⁽¹⁾ To make ~~the inquiry~~ as unburdensome as possible and to avoid any problem of conflict with secrecy laws, we suggest that no information about individual deposits or accounts be requested. It would appear to be sufficient to ask each establishment solicited to submit only an estimate of the aggregate value of accounts and deposits held by it, originating in any of the countries which were occupied by Germany during World War II, with respect to which no communication has been received from the owner or his heir or other successor since May 9, 1945. In the case of safety deposit boxes or similar receptacles of which the contents are not known, a mere statement of the number of such instances would suffice for immediate purposes.

We are aware of the possibility that some property not within the category with which we are concerned might be included within the aggregate revealed by the inquiry. We believe, however, that the proportion would be trivial, and are confident, in view of experience with like questions in other countries, that an expeditious method of dealing with any such other property as may exist can readily be worked out. That question is in any case anticipatory. The important result of the inquiry would be to make available a working estimate of the maximum dimensions of the problem in the light of which an appropriate plan for ultimate disposition can be worked out.

Because of the preliminary nature of what we propose, we refrain at this time from outlining the various modes of assuring the devotion of heirless assets of Nazi victims to purposes of relief. We point out, however, that the almost universal

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application of this principle in the Western Countries (as well as, pursuant to the Peace Treaties, in the "Satellite" Countries) makes it quite clear that as a practical matter, the objective is readily attainable without substantial administrative difficulty.

We should be most grateful to learn of any action taken on this matter by your Government. (Any communication sent to Mr. Isenbergh at the above address will be promptly transmitted to all the signatories.)

With sincere good wishes, we remain

Respectfully,

F. R. Bienenfeld, Legal Adviser
WORLD JEWISH CONGRESS

Jerome J. Jacobson, General Counsel
AMERICAN JOINT DISTRIBUTION COMMITTEE

Max Isenbergh, Counsel for European Operations
AMERICAN JEWISH COMMITTEE

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YIVO Documents

YIVO stands for Yiddish Scientific Institute

YIVO RG 347.7

American Jewish Committee

Initials in description of source of documents:

EXO = unknown

FAD = Foreign Affairs Department

GEN = General