

JRSO

OFFICE OF THE ADVISER ON JEWISH AFFAIRS
APO 403, US ARMY

(FAD =Foreign Affairs
Department)
Box 66 File 2)

20 February 1949

Subject: Memorandum in support of application for licensing of an Agency to aid claimants under OMGUS Law 59.

TO : Mr. Harry Greenstein
Adviser on Jewish Affairs

1. For some time in 1948 representatives of the American Joint Distribution Committee, the Jewish Agency for Palestine, and the Council for the Protection of Jews from Germany, negotiated with several branches of OMGUS with respect to the licensing of a non-profit agency to assist claimants in prosecuting claims asserted under MG Law 59. It was contemplated that the Agency be organized under German law, and that it be authorized to perform the following functions:

- a. To assemble such documentary proof as is necessary to substantiate the claims;
- b. To engage German counsel to represent the claimants in all litigation connection with the recovery of the property;
- c. To advance fees and expense required in the prosecution of the claims;
- d. To enter into direct negotiation with the so-called "Aryanizers" with the view of effecting compromises;
- e. To administer the property for the claimants after the property has been recovered.

It was further contemplated that the Agency would charge a nominal fee for its services and that any surplus accruing from its operations would be employed in the resettlement of Jews who may wish to migrate from Germany.

On 6 January 1949 the representatives of the three organizations named above were notified by OMGUS that the application was formally rejected. I am informed that prior to this official action the representatives were given assurance that the application would receive favorable consideration.

2. In my opinion the proposed Agency is necessary, if not indispensable, in the equitable administration of MG Law 59. Not only is this true from the standpoint of the dispossessed claimants but also from the standpoint of the Aryanizers.

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a. Benefits to accrue to claimants.

It is beyond the realm of dispute that Military Government Law 59 is an unpopular one. The best proof of this is the abortive effort of Military Government in getting the German authorities to pass this law. Probably the most plausible reason for the failure is that the German politicians understandably shied away from a law that might place their political careers in jeopardy. If anything, with the passing of time the antagonism against the law has grown. In view of this, it is unreasonable to expect local German lawyers who must make their living in the communities in which they practice, to give distant claimants fair representation without the guidance of an Agency that will not be subject to local pressures.

b. Most of the claimants under Law 59 are living abroad. Not only do they need guidance in the type of lawyers they select to represent them but in asserting their claims they must, of necessity, advance monies for fees and other expenses. Many of these people are impoverished and cannot finance the handling of their claims. These people, the most needy, will not go into debt for this purpose unless they have implicit confidence in a local person or agency who would advise them on the value and merits of their claims. The assistance that the Agency would render in these respects is extremely important if the law is not to become a dead letter.

c. It is not likely that the property that is recovered or the proceeds thereof will be eligible for immediate transfer to the claimants who have migrated. There is a real need for some agency to administer the property for the successful claimants during the period that transfer is impossible.

d. Benefits to Aryanizers.

The principal benefit that would be derived from the proposed Agency is that the claimants, having confidence in the Agency, would be guided by its advice and would be inclined to compromise claims that might otherwise become involved in litigation. I believe that everyone recognizes that the existing MG Law 59 has cast a cloud on the title to a great deal of property in Germany and that Germany's economic recovery is directly affected by this condition. This is not an argument against MG Law 59 but rather an observation pointing to the necessity for settling the disputed titles to property as soon as possible. In my opinion there are many claimants abroad who may have an unrealistic view either of the merits of their claims or of their value. It cannot be expected that people in this state of mind will be inclined to compromise their claims out of court unless they have absolute confidence in the person or agency that represents them in Germany. In my opinion the proposed agency would answer that purpose. That alternative to this

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agency is the necessity to engage local counsel at random, in many instances unknown to the claimants abroad. It is inevitable that this will throw into court litigation many claims that would otherwise be settled amicably. This will thus retard the full use of the property by the present owners.

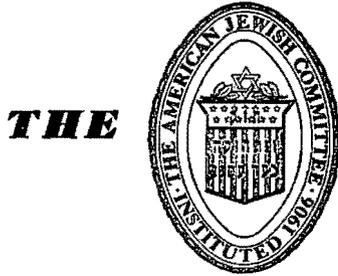
3. For the foregoing reasons it is my recommendation that you review the matter with the Commander-in-Chief, and ask him to reconsider the previous OMBUS decision on the application to license the proposed agency.



ABRAHAM S. HYMAN
Major JAGD
Assistant to the
Adviser on Jewish Affairs

ASH/rs

338132



THE AMERICAN JEWISH COMMITTEE

386 FOURTH AVENUE, NEW YORK 16, N. Y. Cable Address, "WISHCOM, NEW YORK"

Telephone MURRAY HILL 5-0181

*Successor Organization -
Herzmann*

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JACOB BLAUSTEIN, *Chairman Executive Committee*
IRVING M. ENGEL, *Chairman Administrative Committee*
NATHAN M. OHRBACH, *Treasurer*
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ALAN M. STROCK, *New York, Vice-President*
FRANK L. SULZBERGER, *Chicago, Vice-President*

TO: Paris Office

February 8, 1949

FROM: New York Office

On February 4, the Executive Committee of the JRSO met to discuss the following issues:

1. The proposed agreement between OMGUS and Jewish Cultural Reconstruction, Inc., on the disposal of the Jewish cultural property in Germany. The attached report by Mr. Ferencz and the tentative text of the agreement are self-explanatory. Although the JCR raised the objection at the meeting that under this agreement it would receive the properties mentioned under 2a) in the agreement only on an indefinite custodianship basis instead of a full-fledged trusteeship as in the case of the other categories listed, the meeting felt that the agreement should be signed without delay both by JCR and JRSO.

It is hoped that at the appropriate time the question raised by JCR may be settled with OMGUS without serious difficulty. It was felt that the proposed partial recognition would automatically lead to the desired ultimate solution.

2. The second subject discussed was a request by the American Federation of Jews from Central Europe (New York), a cooperating organization of the Jewish Restitution Office in London, urging the JRSO to assume responsibility for the prosecution of individual claims filed by indigent claimants in the U.S. zone. The Jewish Restitution Office itself obtained authority to undertake this function in the British zone, but an application filed for a similar authority for the American Federation was rejected by OMGUS. It is with regard to this refusal that the JRSO is now being asked to accept this responsibility, in the hope that OMGUS would not object to this function being carried out by an already recognized Jewish agency.

Mr. Ferencz is on rather valid grounds opposed to the assumption of this added responsibility by JRSO. Since he is expected in New York around February 21, the sense of the meeting was to postpone decision until his arrival.

cc: Dr. Slawson
Dr. Segal
Judge Forman
Dr. Gray
S. Rubin

EH:rs

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C O P Y

YIVO RG 347.7
American Jewish S.Y. Letter No. 49
Jewish Committee
(Foreign Affairs Dept. 41-46)
Box 66 File 2

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

January 29, 1949

MEMORANDUM:

SUBJECT : Turnover of Cultural Property to JCR

TO : Mr. Eli Bock
Mr. Maurice M. Boukstein

I am transmitting herewith an agreement which OMGUS is prepared to accept for the turnover of Jewish cultural property to the JCR. The agreement embodies the best terms we can obtain here and I consider it quite satisfactory. I recommend therefore that it be promptly accepted in New York.

Par. 1 e) of the agreement was designed to cover the 26,000 Jewish books taken from the Baltic countries. (See Hq JRSO NY Letter No. 46) and the State Department is presently considering whether or not these properties should be turned over to representatives of those countries. The problem of their custody is not a very serious one because they can be kept in Germany or considered as "on loan" to some other destination until the State Department issue is resolved. I do not recommend that any action be taken at this time to hasten the Washington decision for we will probably be in a more advantageous position once JCR has actually taken custody of the property.

It is in my opinion most important that we accept this agreement "while the iron is hot". If there are no objections raised in New York I suggest that a cable, followed by a written power of attorney, be sent to Saul Eagan, who has successfully conducted the negotiations in Berlin, authorizing him to sign the agreement on behalf of the JCR. I will sign for the JRSO and should also receive a general power of attorney to cover such events. If it is certain that Joshua Starr or Mr. Heller will arrive here before February 12th we can hold the agreement for their signature, but I do not believe it should be delayed beyond that date.

No publicity should be given to this matter until the final agreement is signed. Nor would I consider it wise to take any action in Washington to improve the terms of the agreement without enabling us to explain it to OMGUS first.

I am sending one copy of this letter to Mr. Bock via U.S. mail and the others via Special Delivery Deutsche Post to assure its speedy arrival in New York.

Sincerely yours,

cc. Mr. Beckelman; Fisher
Mr. Starr c/o Baron

Benjamin B. Ferencz
Director General

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MEMORANDUM OF AGREEMENT

SUBJECT: JEWISH CULTURAL PROPERTY

1. Jewish cultural properties, separated from owning individuals and organizations in Europe during the period of Nazi rule and taken into custody by the U.S. Military Government in occupied Germany; listed by categories below and to be specifically listed in inventories and receipts are transferred herewith to JCR Inc., subject to the conditions set forth herein. The JCR Inc. will act as trustee in receiving this property for the Jewish people and in distributing it to such public or quasi-public, religious, cultural, or educational institutions as it sees fit, to be used in the interest of perpetuating Jewish art and culture.

2. Categories of cultural properties. The properties thus transferred are unidentifiable and hence not the proper subject of a claim under Law 59. They are grouped in the following categories:

- a) Jewish books and manuscripts unidentified as to previous owner.
- b) Torah scrolls and miscellaneous church and synagogue vestments, altar covers, prayer shawls, etc.
- c) Jewish ritual objects of precious metals and including precious stones.
- d) Miscellaneous Jewish paintings and furnishings.
- e) such other Jewish cultural properties as JCR Inc. and Military Government shall agree to transfer. Such properties shall be transferred upon a custody receipt which shall contain a statement as set forth in Appendix A hereto.

3. In consideration of the fact that no claims have been received for and no identification of prior ownership can be reasonably established for the properties, these properties are transferred to JCR Inc. with the proviso that they are to be utilized for the maintenance of the cultural heritage of the Jewish people, and therefore the physical integrity of these objects will be maintained. The Jewish ritual objects of precious metals are to be utilized as such and not converted to monetary metal, except such objects as may have been so damaged as to prevent normal use.

4. JCR Inc. agrees to accept custody of these properties by 30 May 1949, and will provide partial shipping instructions within 30 calendar days hereof and will provide by not later than 31 March 1949 shipping destinations either within or outside Germany for all the properties so transferred. Custody will be taken by the JCR Inc. by receipt executed jointly by representatives of the U.S. Military Governor and JCR Inc., at the time of shipment from U.S. Military Government depots.

5. The costs of packing and crating and of shipping either to the German frontier or to a JCR Inc. depot within Germany (whichever immediate destination is elected by JCR Inc.) except the cost of insurance will be borne as occupation costs by the German government of the Land from which the property is shipped.

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6. Military Government will assist JCH Inc. in locating necessary warehouse space and give any necessary clearance for employment of guards and other maintenance personnel, the expense of this warehousing to be borne by JCH Inc.

Date _____

/s/ _____
Authorized representative U.S. Military
Governor

/s/ _____
Authorized representative JCH Inc.

Consented to and approved on behalf of JRSO Inc. by

/s/ _____
Authorized representative JRSO Inc.

APPENDIX "A"

This receipt is given with the understanding that JCE Inc. receives the properties herein described on a custody basis only. JCE Inc. agrees that they will maintain any collections received hereunder intact and will preserve all properties in a form that they will be in a position to deliver them to a restitutee in case they are so requested by Military Government. It is understood between JCE Inc. and Military Government that an annual review shall be made of the facts surrounding these properties and a decision will be made as to whether or not it is necessary for JCE Inc. to continue in the position of a custodian or may be granted outright possession of the properties involved. In the event that restitution of these properties is effected the cost involved in shipping the properties from the place where they are located at the time that JCE Inc. is notified to the final destination shall be borne by the restitutee.

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Jewish Successor Org.

Box 6 File 2

December 28, 1948

TO: Foreign Affairs Department
FROM: Max Isenbergh
SUBJECT: Law 59 - American Zone Germany
I. Jewish Restitution Successor Organization - Community Property
II. Review Board

I.

While in Germany last week, I went to Nuremberg to attend a meeting of the Advisory Board of JRSG. The main issue under discussion was the problem of community property which is being claimed both by the Successor Organization and by the surviving Jewish communities.

AJDC and the Jewish Agency, who are represented on the Advisory Board, take the position that the Jewish communities are no longer in existence, and that therefore the property should go in its entirety to the Successor Organization. A contrary argument is made that legally the Jewish communities continue to exist, and therefore, although greatly reduced, they are entitled to all of the community property. We in the Paris office had, before the meeting began, come to the conclusion that regardless of the resolution of the narrow legalistic issue of the continuity of the communities as legal entities, it would be wrong in principle to permit all the community property to go to the surviving groups. In the first place, the communities are typically one or two per cent of their former size. In the second place, they are in large part composed of Jews of mixed marriages or Jews who before the war were members of different communities. In the third place — and more important — the return of large amounts of community property to small groups might afford an encouragement to Jews to remain in Germany, a result which we are convinced is wrong.

I spent the evening before the meeting with Dr. Philip Auerbach, representative of all of the Jewish communities in Bavaria. He refused to accede that there was any merit in our arguments and said that the Jewish communities of Bavaria would not abandon their claims. He said that he would make no concessions at the meeting, and that if the Advisory Board was of a different opinion, he would proceed to litigate the question in the Restitution Chamber of the German courts. On the morning of the meeting, I drove to Nuremberg with Dr. Auerbach and attempted to convince him of the unseemliness of bringing this question into the open in the German courts. He repeated that he would not consider any compromise, and that if his position were not accepted, he would merely withdraw from the meeting.

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The meeting (December 20) was attended by Dr. Curt Epstein, representing the Jewish communities of Hesse; Dr. Warshar, representing the Jewish communities of Wurttemberg; Dr. Philip Auerbach, representing the Jewish communities of Bavaria; Dr. Max Kreutzberger, representing the Council of Jews from Germany in London, and the Jewish Agency; and George Weis, representing AJDC. Mr. Ferencz sat as non-voting chairman, and I participated as an officious inter-meddlor.

Fortunately, the representatives of the other communities were less adamant, and finding himself alone in the meeting, Dr. Auerbach finally succumbed.

The upshot of the meeting was as follows:

1. JRSC is to take title to all the community property.
2. The Jewish communities are to submit to the JRSC budgets of their needs, and these are to be reviewed by the Advisory Board.
3. The budgets as approved are to be submitted to the Board of Directors of JRSC in New York, together with the recommendation that JRSC undertake to place at the disposal of the Jewish communities so much of the community property as is necessary to meet their needs.
4. If the Board of Directors of JRSC approves the proposals, the question will be closed.
5. If the Board of Directors is not prepared to approve the recommendations, it will permit representatives of the communities to participate in the deliberations leading to a different course of action.
6. Pending settlement of the question, JRSC and the communities will not prosecute any claims for community property without mutual consent.

Particularly in view of the initial recalcitrance of Dr. Auerbach, these conclusions appear to me to be quite satisfactory. Unfortunately, they may not be adhered to, since I have just learned from Mr. Ferencz by telephone that Dr. Auerbach is threatening to resume his original position.

You will doubtless receive more detailed minutes of the meeting, but I thought you would like to have this preliminary statement of my impressions.

II.

While I was in Germany, the appointments to the Review Board on restitution matters were announced by General Clay. The chairman will be Johnson P. Crawford, and the other members will be Frederick Hulse, Meyer L. Casman and Peter J. Flanagan. Until their appointment, all of these gentlemen held posts in Military Government. Ferencz, who knows most of them, thinks that the Board can be depended upon to do a conscientious and not unsympathetic job.

YIVO RG 347.7
American Jewish Committee
(Foreign Affairs Dept.
41-46)
Box 66 File 2

29 September 1948

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

Benjamin B. Ferencz
Director General

Dear Moose,

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

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

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

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

Sincerely yours

BENJAMIN B. FERENCZ
Director General

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COPY

THE AMERICAN JEWISH COMMITTEE
386 FOURTH AVENUE NEW YORK 16, N. Y.

YIVO RG 347.7
American Jewish Committee
(Foreign Affairs Dept. 41-46)
Box 66 File 2

Woodlands,
White Plains, N.Y.
5th September, 1948

Mr. Louis Bennett,
American Jewish Committee,
386 Fourth Avenue,
New York City.

Dear Mr. Bennett,

In accordance with your request, I present the following suggestions with respect to methods and means of tracing heirless property in various German and Austrian Jewish Communities, with the help of the Search Bureaux and Jewish documentation which is still spread all over Germany and Austria:

1. In order to determine what property is heirless, it is first necessary to have knowledge of all claims already filed by German and Austrian emigres now spread throughout the world as well as those claims filed by the relatively few German and Austrian Jews still in Germany or Austria. This can be accomplished for example through newspaper articles placed in German and Austrian Refugee papers such as "Aufbau", requesting persons who have filed claims to notify a central office (such as the office of the Successor Organization.) This would result in centering in one place all information as to claims filed.

2. Having ascertained through the procedure outlined in (1) above who has filed claims, one could then check the claims against all Jewish property which should have been claimed. To do so requires knowledge of Jewish property in each community in Germany and Austria. This information can be ascertained through many channels among which are the following:

(a) By examination of the "Grundbuecher" (real estate records in each community) one will learn of all real estate which was owned by Jews in each community.

(b) By examination of the Nazi Fiscal Department records one can check further into the possessions of Jews. The Nazi Fiscal Department card index was at one time spread in four different locations in Germany and could be located.

(c) By examination of the Synagogue records of each community - as far as they are not destroyed. These records also present details of possessions of Jews in the communities, the extent of their contributions (which was a fixed percentage of their income), and the number of members of the family attached to the Synagogue.

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YIVO RG 347.7
AJC (FAD 41-46)
Box 66 File 2

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THE AMERICAN JEWISH COMMITTEE
386 FOURTH AVENUE NEW YORK 16, N. Y.

3. Having established through (1) and (2) above what Jewish property remains unclaimed, it is next necessary to determine whether a legitimate heir is alive to file claims. This might be established through the following procedure:

(a) By examination of a "card-register" in Germany which contains all names of German Jews who were "ausgebuegert" (expatriated). All Jews who emigrated (and who were prominent and a "danger to the State") were expatriated and listed in this register so that if a person's name were to appear in the register it could be assumed that he left Germany and is to be sought abroad. This register was divided into several parts and is to be found in several locations in Germany and can be located. The names appearing in this register were also published at one time in the "Voelkische Beobachter". (At a later date Hitler issued a decree according to which all Jews were expatriated.)

(b) By examination of the deportation lists of each community. These lists set forth names of all persons deported and their destinations.

(c) By seeking out survivors of each deportation-transport who could act as witnesses. To a limited extent I have already collected names and addresses of survivors who returned from deportation and who have personal knowledge of various transports.

(d) By contact with the various Search Bureaux. I have compiled a list of all Search Bureaux in the continental countries. These Bureaux would know the fate of Jews who fled to a particular country and who were deported, died, or possibly returned and who might have claims in Germany or Austria.

(e) By close contact with the "United Kingdom Search Bureau for German, Austrian and Stateless Persons from Central Europe", which I organized and directed. This Bureau has the largest amount of information on German and Austrian Jews which were deported, died, or returned. The Bureau originally received its inquiries from relatives and friends in Great Britain, the Commonwealth and Empire, and later also from Europe. It worked in close cooperation with UNRRA, the British Control Commission, the Red Cross Societies and all Jewish and Non-Jewish Search Bureaux.

(f) In addition to centralizing the documentation, it would be vital to establish a reference card-index from which one could determine which large or small committee held the death-confirmation or death-books of the various concentration camps, prisons, and hospitals.

It should be possible to ascertain a considerable amount of heirless property in the various Jewish Communities in Germany and Austria, apart from the buildings which were formerly owned by the community as such. The procedure outlined above would produce the desired information, but only if the work were properly organized. I would suggest an organization along the following lines:

(1) The most important factor is to place in charge a person not only experienced in Search work but one who has had the necessary personal contacts and knows the various Search Bureaux, political committees etc. and has their confidence. The responsibility should be placed on this person to collect all possible relevant material.

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(2) A staff of technical assistants should be assigned abroad to work under the direction of the person outlined in (1).

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386 FOURTH AVENUE NEW YORK 16, N. Y.

YIVO RG 347.7
American Jewish Committee
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(3) The material should be examined and analyzed by the Director and the technical assistants and made available to the Successor Organization which would then be in possession of the facts upon which its lawyers might press the claims.

Should there be any further information you desire do not hesitate to call on me.

Sincerely yours,

s/ Anita Wolf Warburg

338143

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 Dept.)
Box 66 File 3

December 12, 1951
File 3410

Mr. Saul Kagan - JRSO NY

CONFIDENTIAL

Dear Saul:

JRSO Hq. Letter #1201
Conference with Mr. McCloy

I have just gotten back from a four day staff conference in Berchtesgaden to which I rushed directly from my meeting with Mr. McCloy on Friday, December 7.

Claims against the Reich

I met Goldmann in Duesseldorf Friday morning where we were joined by Zach Shuster. The latter had unfortunately been rather uninformed about developments and had received a last minute notice to rush in and join the meeting with McCloy.

At the meeting with McCloy, Goldmann explained that he had just recently returned from Israel where the question of Jewish claims against Germany was still being hotly debated. He expected however that when the matter was officially taken up at the Knesseth within the next two weeks or so, there would be a majority in favor of having negotiations with the Federal government; the Conference on Jewish Claims in New York had been representative of the leading Jewish organizations in the world and henceforth there would be an address to which the German government could be referred. He asked Mr. McCloy to let the Germans know that the Conference on Jewish Claims was the proper agency with which to have any negotiations. He also mentioned that it was the same address as the JRSO and McCloy at that point made notes. Goldmann pointed out that it was recognized that the U.S. taxpayer could not be expected to bear the brunt of Jewish claims against Germany and stressed the fact that payments would have to come from the internal German economy. He reported on the meeting with Mr. Webb and asked McCloy for his continued support, should the Germans be prepared to accept such obligations.

Mr. McCloy made some statements of general sympathy and vague assurances of continued assistance. I had the distinct impression that if the Germans would be prepared to pay, McCloy at least, would not be in opposition. There was the implied safeguard however, that the costs would not have to be borne by the U.S. taxpayer and that they would be spread over a sufficient period so as not to create an undue strain on the German economy.

Court of Restitution Appeals

Zach Shuster raised the question of the composition of the Court of Restitution Appeals under the contractual arrangement.

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Kagan #1201

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December 12, 1951

I supplemented his query by reporting that at 5 o'clock that morning I had gone over the problem with the General Counsel, Mr. Debevoise. I had asked Debevoise about what had happened to McCloy's promise to me, after he had discussed it with the State Dept. that the first approach to the Germans would be that the status quo should be maintained. Mr. Debevoise had replied that Mr. Reber, head of the Office of Political Affairs had informally raised the matter with the Germans and since there had been strong opposition, the retention of the status quo had not been pressed. He said this was particularly necessary inasmuch as Britain and France were very unenthusiastic about the idea in the first place. Debevoise pointed out however that he had modified the British suggestion for a court with chambers consisting of four Americans and four Germans (in the U.S. Zone) to a court of only 2 Germans and 3 Americans. Debevoise did not know with whom Reber had spoken or how authoritative the German opposition has been. I asked Mr. McCloy if he had any further details on that point as it was relevant to us in determining the general German attitude.

McCloy replied that ^{he} had personally discussed the question with Chancellor Adenauer and when McCloy had pointed out that restitution was a temporary program which should be left alone until its completion, Adenauer had indicated that McCloy's reasoning made good sense and that he would discuss it with his own officials. McCloy had not gotten any reply from Adenauer but agreed to raise it with the Chancellor again and made a note to that effect.

I told McCloy that Debevoise had apparently been uninformed and was on the verge of talking to the Germans about the mixed court. McCloy who had not had a chance to tell Debevoise about his Adenauer discussions, said he would advise him promptly in order that the U.S. position might not be further prejudiced.

Logistic Support for the JRSO

I then raised our logistic problem with him and went through the standard arguments that at this late stage there could be no reason for pulling the rug out from under us, particularly since we were a very small handful of persons as compared to the total number, that we were carrying out an important program, etc. I had discussed the question with Debevoise the same day and the latter had informed me that particularly the British were opposed to any facilities or immunities for persons other than the forces. When I had gone over the provisions of the contractual arrangement the day before, I had discovered that at the end of the agreement providing logistics for the army and affiliated agencies there was a clause stating:

"The authorities of the forces shall grant such assimilated status to such organizations and individuals only to the extent that they are engaged in the service of the forces."

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Kagan #1201

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December 12, 1951

This restriction would have eliminated us completely and therefore the information contained in my letter of December 3 (1188) had been inaccurate. The restrictive clause was also contrary to the State Dept. cable and assurances to us that the organization as such would be protected. I therefore sent you a cable stating --

"Connection my 1188 no logistics for JRSO or personnel in contract Washington or London representations urgent."

I cabled Jacobson as follows --

"Connection my letter 1183 contractual agreement lacks provision facilities for either organization or personnel stop British French representations urgent. Please advise Kapralik. Thanks."

What actually happened in HICOG was a confusion between the JRSO status under the convention regarding STATUS and the JRSO status under the convention regarding LOGISTICS. In the STATUS AGREEMENT it was specifically provided that the charitable status of the JRSO would be maintained and that it would be exempt from taxes from which it had been exempt on the date the law went into effect, as well as from the Lastenausgleich. HICOG understood this to cover the State Dept.'s instructions that the status of the JRSO organization was to be maintained and some of the new HICOG personnel happily assured me that what was meant was that no other Jewish successor organization could be appointed.

McCloy was persuaded that we should continue to receive our logistic support and promptly called Debevoise in my presence. Debevoise explained the British and French opposition and McCloy told him to try to write in a provision providing for the continued logistic support of the JRSO. I suggested that the restrictive clause referred to above be extended to cover agencies essential to the carrying out of an important Allied program, or words to that effect.

I will be leaving for Bonn again in a few hours to try to follow through on some of these problems. Since I returned from the States I have had practically no time behind my own desk and although the battle continues to be rough, I have not yet despaired.

With best regards,

Cordially yours,

cc:JJJ-K.D

SRubin -ZShuster

Dr.Kapralik-Dr.Lachs

BENJAMIN B. FERENCZ

BBF:b

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YIVO RG 347.7
American Jewish Committee
(Foreign Affairs Dept. 41-46)
Box 66 File 3

COPY FOR YOUR INFORMATION

October 4, 1951
File 1570-B

Dr. George N. Shuster
Land Commissioner of Bavaria
Munich

Dear Dr. Shuster:

On October 3 we met with Finance Minister Dr. Zietsch, Dr. Ringelmann and other representatives from the Finance Ministry concerning the proposed bulk settlement. The representatives of the Finance Ministry had prepared a very lengthy opinion examining and analyzing our claims and our files. Following three hours of negotiation, the Bavarian officials stated that they were prepared to support the payment of 20 million DM to the JRSO.

I repeated my view that I was prepared to recommend 25 million and went further to indicate that I was prepared to compromise in order now to reach a quick settlement. The Finance Minister promised to send us a draft of an agreement within two weeks and we will meet again on October 24 in order to carry the matter further.

I think you will be pleased to learn of these developments which now make it appear that with a little more effort an agreement may yet be reached.

Respectfully yours,

BENJAMIN B. FERENCZ
Director General

BBF.b

cc:ES

338147

cc: ER
JJJ

Dr. Kapralik
Dr. Lachs
Mr. Hulse
Mr. Lowenthal
Mr. Reber
Circulation

Copy

Headquarters Jewish Restitution
Successor Organization
APO 696 US Army

YIVO JRG 347 (7)
American Jewish Committee
(Frng Affrs Dept. 41-46)
Box 66 File 3

August 6, 1951
File 1101-C

Hon. John J. McCloy
U.S. High Commissioner for Germany
APO 757, U.S. Army

Dear Mr. McCloy:

Following my talks in Paris last week with representatives of various Jewish organizations a memorandum was sent to your office giving their unified views on the proposed surrender of restitution as a reserved power. The gist of their position is that they fear the disruptive and possibly disastrous consequences of dissolving the prevailing Allied courts of restitution appeals and replacing them with a single new court of mixed German-Allied composition whose method of functioning has not yet been determined. They feel that this action, despite all other safeguards, would seriously jeopardize the entire restitution program. I discussed the problem with Mr. Reber in Bonn on August 1 and understand from him that you have agreed to refer the matter back to Washington for reconsideration.

I am attaching copies of two letters I have just received for transmittal to you. In the first (TAB A) the organizations express their gratitude and indebtedness to you for your timely intervention. They further suggest the appointment of a three-man commission to survey the restitution scene and to recommend constructive action for expediting the achievement of the US objectives in this field. The second letter (TAB B) suggests that James Landis, Ruppert Emerson, and David Ginsburg would be available for such an assignment which could be completed within three weeks.

Should you desire any additional information on these questions or wish to discuss them further I shall of course be available at any time.

Respectfully yours,

BENJAMIN B. FERENCZ
Director General

Phone: Nurnberg 61041

BBF:uk

338148

COPY

TAB A

YIVO RG 347.7
American Jewish Committee
(Foreign Affairs Dept. 41-46)
August 3, 1951

Box 66 File 3

The Hon. John J. McCloy
U.S. High Commissioner for Germany
APO 757 US Army

Dear Mr. McCloy:

Mr. Ferencz recently delivered to you on behalf of the four principal Jewish Agencies of the United States a letter explaining the very serious concern felt regarding the proposal to desestablish the existing Allied Court structure dealing with restitution problems and replace it with a mixed Court which would include German jurists as a part of a proposed Allied - German contractual arrangement. Indeed, the Jewish organizations were disturbed to learn of the questionable haste with which the British authorities have proceeded to propose scheduled discussions with the Germans looking towards ending the Allied reserved powers over restitution matters, more especially since so far as we can determine there does not seem to exist any clear agreement among the three Allied Governments themselves concerning the details of a substituted program which would reasonably assure the Allied Governments that their policies on restitution would be fulfilled under German control. Once again we find ourselves indebted to you for your timely and well considered intervention to urge that more careful thought be given to this subject before discussions be held with the German Government. I am instructed on behalf of the Jewish organizations of the United States to renew the expression of our continued gratitude and indebtedness to you.

You will be pleased to learn that the Jewish organizations of the United Kingdom expressed their concern to Lord Henderson, the British Under-Secretary of State for Foreign Affairs, when they learned that their Government was seeking so prematurely to discuss giving over control to Germany.

We feel that these developments are straws in the wind pointing that an important moral and equitable policy of the United States and the other Governments, namely, the restitution program, may inadvertently to the wishes of our Government be destroyed or cancelled out as a consequence of negotiations with the German Government, which negotiations in the main look towards solving other very important political

and security

338149

The Hon. John J. McCloy, U.S. High Commissioner

and security aspirations of our Government and our Allies. Because of these considerations we have cast about in search of some solution to bring the restitution program to a close quickly before it may be necessary to discuss a transfer of authority to the Germans. A means of exploring this question was informally discussed with you by Mr. Ferencz and we are deeply appreciative that you have indicated your willingness to give it sympathetic consideration.

On May 17, 1951, the British Under-Secretary of State for Foreign Affairs, with the approval of the Secretary of State, appointed a committee to examine the progress made under the restitution law in the British zone, and to make recommendations which might remove or reduce the cause of any delays in the disposal of claims. The three-man-committee invited persons and organizations to give evidence before it and quickly rendered a report to the Foreign Office. The suggestions of the British committee were gratefully received as a valuable contribution towards the fulfilment of the restitution objectives.

The American organizations, who have asked me to communicate with you on their behalf, realizing your own interest in doing everything possible to expedite the successful conclusion of the important restitution program respectfully invite your consideration to the establishment of a similar commission for the U.S. zone. Our suggestions would vary somewhat from the British approach, in that we feel in view of the outstanding record which you have on this and other matters and to dispel any possible assumption by anyone that we could imply any criticism of your administration in this proposal and further to conclude the matter as quickly as possible, any commission in the U.S. zone should be by your appointment in accordance with your frame of reference, and should report its findings and recommendations to you. It is felt that such a body might within a short period of time, survey the restitution scene from the perspective of an outside group, and prepare an objective evaluation of the situation as well as its recommendations for constructive action. In view of the current considerations for discussing with the German authorities the relinquishment of the reserved power in the field of restitution it seems increasingly important that some such step be undertaken before the Allied rights are surrendered. The findings and recommendations of such a group might provide an important scale in which the reasonableness of German demands could be weighed.

Since

The Hon. John J. McCloy, U.S. High Commissioner

Since discussions on the future status of restitution may soon be undertaken between representatives of the High Commission and the German authorities your early favourable consideration of this suggestion would be sincerely appreciated.

Respectfully yours,

M. W. Beckelmann,
Director General,
American Joint Distribution Committee

on behalf of:

AMERICAN JEWISH COMMITTEE

AMERICAN JOINT DISTRIBUTION COMMITTEE

JEWISH AGENCY FOR PALESTINE

WORLD JEWISH CONGRESS

338151

COPY

August 3, 1951

The Hon. John J. McCloy,
U.S. High Commissioner for Germany
APO 757 US Army

Dear Mr. McCloy:

Concurrently with giving you this letter on our behalf, Mr. Ferencz will be giving you our formal request for the appointment by you of a three-man-commission to investigate and report to you on the expediting of restitution problems in the American Zone of Germany.

We do not feel that such a commission requires a very long time to examine into the problem nor to prepare its report. In fact, we believe that a small group of intelligent and experienced former public servants could undertake this in a two weeks survey and require an additional week's time to draft and forward a report to you. Moreover, we recognize that if this proposal is to serve its purposes it should be done and completed rapidly so as to avoid any impression of delay on one hand and to meet with other requirements of governmental policy.

We have consequently taken the liberty of discussing this matter informally with persons who appear to be qualified and who would be available promptly to come to Germany on a consultant basis for the brief period required.

The following former public officials are submitted for your consideration:

- (1) Mr. James Landis, former dean of Harvard Law School, and holder of numerous Government posts. Dean Landis office address is: 1822, Jefferson Place, N.W. Washington 6, D.C.
- (2) Mr. Rupert Emerson, Harvard School of Economics, former official in the State, Interior and Commerce Departments. Mr. Emerson's Address is: c/o Harvard. Cambridge, Mass.
- (3) Mr. David Ginsburg, former General Counsel of the Office of Price Administration, Advisor to General Clay, etc. Mr. Ginsburg's address is: Washington, C.C.

Mr. Ferencz

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The Hon. John J. McCloy, U.S. High Commissioner for Germany

Mr. Ferencz will be available to discuss with you any other related questions which you may have in mind.

Respectfully yours,

N.W. Beckelmann
Director General,
American Joint Distribution Committee

on behalf of:

American Jewish Committee

American Joint Distribution Committee

Jewish Agency for Palestine

World Jewish Congress

338153

Copy

YIVO RG 347.7
American Jewish Committee

July 31, 1951

The Hon. John J. McCloy
U.S. High Commissioner for Germany
APO 757 US Army

(Frngn Affrs Dept. 41-46)
Box 66 File 3

Dear Mr. McCloy:

In fulfilment of the policy declared at Brussels that a contractual arrangement would replace the Occupation Statute, talks are scheduled with the German authorities concerning relinquishment of reserved powers in the field of restitution. Appreciation is expressed for the many assurances received that the U.S. is determined to maintain intact the substantive legal rights of restitution claimants (Mr. McCloy to Javits February 26) and for your very recent declaration that no developments were anticipated which might relieve the holders of property subject to restitution from the obligations imposed by the prevailing law. It appears, however, that one of the items to be discussed with the German delegation may result in seriously jeopardizing the restitution program. The undersigned therefore respectfully invite your attention to this fact and take the opportunity to propose a modification whereby it is felt that the Brussels policy and the restitution declarations may be more consistently carried out.

We understand that a number of points are under consideration as suggestions for incorporation in a contractual arrangement with Germany. While the Jewish organizations feel and have repeatedly shown reasons why restitution should remain a reserved power under the Allies until its completion, still one point among the Allied suggestions in itself is so patently dangerous and likely to quickly serve to defeat the restitution objectives, that it is consequently felt necessary to single it out for attention. The Allies propose that the existing Court of Restitution Appeals be disbanded and in its stead a new court, consisting of German, Allied and possibly a neutral national be created as the final authority on restitution questions.

On 27 April 1951 the undersigned 4 organizations delivered an interim note to Asst. Sect. of State Mr. Webb, in which it was pointed out that:

....."the completion of this (restitution) program, which has always been considered a major objective of the Allied occupation, requires the continuation of direct Allied supervision, even under a changed relationship between the Allies and the Germans. The suggestion is respectfully made that an opportunity be given to consult further with the Department regarding the details of the supervisory machinery at a future time and before final decisions are taken....."

One of the pillars of the restitution program thus far have been the Allied Courts of Restitution Appeals. It is strongly urged that they

be retained

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- 2 -

The Hon. John J. McCloy, U.S. High Commissioner for Germany

be retained in their main feature, until the program has been completed - and that appropriate provisions be included in the contractual arrangement protecting their existence."

Shortly thereafter nine leading British Jewish organizations submitted a joint note to the Foreign Office in which they stated:

"It is urged that the Allied Courts of Appeal (Boards of Review) be retained and the main feature of their structure maintained until the restitution program has been completed and that appropriate provisions be inserted in the new agreement safeguarding their adequate functioning. The new agreement should therefore contain the following stipulations.....

- (e) The Courts of Appeal shall be retained and their decisions given full force and effect."

A similar view was expressed by the Jewish Trust Corporation, the successor organization for heirless Jewish property in the British zone in a report made at the end of June to the British Committee of Enquiry on Restitution. The Executive Secretary of the JRSO submitted a detailed analysis to the Department of State showing general German reaction to the restitution program. All available evidence clearly pointed to his conclusion that:

"There is every reason to fear, considering the aforementioned German attacks on restitution and on the present Court of Restitution Appeals and the hopes which the Germans apparently place in a revision of the present structure of that court that any change at all in the court may well prove disastrous to the restitution program."

It should be clear that an Allied announcement of willingness to drastically alter the structure of the Court of Appeals can only stimulate German hopes that the firm position taken thus far has been abandoned. The bulk settlements which the JRSO is now trying to conclude with Wuerttemberg - Baden and Bavaria may be seriously impeded, for the German officials would be fully justified in adhering to a "wait - and - see" attitude.

There seems to be even less justification for advancing the new proposal at this time when it is recalled that the Allies have not yet, among themselves, reached agreement on the fundamental details concerning a new court. Questions about the number and nationality of members, the assignment or termination of the present judges, jurisdiction, location, authorities to whom the court will be answerable, source of salaries and administrative support, etc. have not yet been discussed. Until these important procedural matters, which vitally affect the substance, have been agreed upon any discussion of

this point

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The Hon. John J. McCloy, U.S. High Commissioner for Germany

this point with the German authorities is patently premature. As soon as the Germans recognize that the Allies have not even reached a clear position the conclusions will be encouraged that the Allies have not gone into the matter more seriously because they are prepared to bargain away even this general idea.

It is respectfully submitted that no changes in the present court structure be proposed until the probable consequence of such a change have been carefully appraised. Should it appear, as the undersigned have every reason to believe, that this drastic modification may cause the collapse of the court, and thereby the nullification of their past decisions and the entire restitution program, then the proposed alteration should be abandoned. A request that the Germans accept the prevailing court arrangement until the temporary restitution program can be completed should not come to them as an unreasonable burden. Their refusal to accept such a limited condition would be further warning of German intentions. German belief that the Allies are now prepared to tolerate the evasion of elementary moral and legal obligations would be a most dangerous foundation on which to build a stable alliance.

The undersigned organizations are convinced that any discussions with the German delegates about a joint-mixed-court to replace the existing Court of Restitution Appeals would be a tactically and substantively unwise. They earnestly suggest that the matter be seriously reconsidered, that further studies be made of the probable consequence of the new proposal, and that no action be undertaken which would in effect serve the defeat the U.S. objectives in the restitution field.

Respectfully submitted:

AMERICAN JEWISH COMMITTEE

AMERICAN JOINT DISTRIBUTION COMMITTEE

JEWISH AGENCY FOR PALESTINE

WORLD JEWISH CONGRESS

338156

YIVO RG 347.7
American Jewish Committee
(Foreign Affairs Dept. 41-46)
Box 66 File 3

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

July 12, 1951
File 3430

Mr. Zachariah Shuster
American Jewish Committee
30 Rue la Boettie
Paris

Dear Zach:

You probably know all about the commission which was appointed by Lord Henderson to examine the question of restitution in the British Zone. I am attaching a copy of their official warrant of appointment.

The suggestion has been made that a similar commission be established for the U.S. Zone in order that our views might be incorporated in a document which would strengthen the Jewish position. This document could be used to counteract the arguments which we know the Germans are going to make in their attempt to defeat restitution.

Of course we must avoid embarrassment to Mr. McCloy by the appointment of such a group and therefore we want to be sure that it has his full approval before we even approach him on it. We would not like him to feel that we are unmindful of the great assistance he has given us and his own support for the program.

I have been sounding out some of the staff members of HICOG who are inclined to favor the idea but the latest suggestion, as you will notice from the attached copy of letter (#964) was to discuss the matter with Shep Stone. Since I am informed that you will be coming to Germany shortly, I do not want to do anything on the matter immediately but prefer to wait in order that we might discuss the question together.

I would therefore appreciate it if you would let me know when you are planning to come in and how soon we can get together in order to go over this and other problems.

With best personal regards,

Cordially yours,

BENJAMIN B. FERENCZ

BBF.b
cc:JJJ
ER.

338157

YIVO RG 347.7
American Jewish Committee
(Frgn Affrs Dept. 41-46)
Box 66 File 3

July 12, 1951
File 3490

Mr. Eli Rock - JRSO NY

Dear Eli:

JRSO Hq. Letter #964
US Restitution Commission

I discussed the question of a U.S. restitution commission with Fred Hulse, the Deputy Director of the Administration of Justice Division in HICOG. He is the one who handles restitution problems from the legal side and I tried to sell the commission idea to him. Hulse could see no objection to having such a commission but cautiously pointed out that the establishment of such a body might create problems of interest to the Public Affairs Branch at HICOG. He thought the publicity attendant upon the work of such a group might be construed as an attempted overhauling of the restitution procedure and thereby the Germans might have new hopes created, ~~that~~ that the matter should be discussed with ~~Shepherd~~ Stone, Director of the Office of Public Affairs and said that if the matter came to him he would repeat the views he had expressed to me.

I noticed from some recent correspondence that Zach Shuster will be coming to Germany shortly in order to follow up some of the Committee's discussions with McCloy. I am sure that Shuster will be seeing Stone whom he has already contacted on several previous occasions. It might therefore be advisable for Shuster to sound out Stone on it in the course of some other discussions. I am going to contact Shuster in order to find out his plans and his views on the feasibility of this approach.

I will keep you informed on the progress.

Cordially yours,

BENJAMIN B. FERENCZ

BBF:b
cc:JJJ

Z Shuster

338158

Warrant of Appointment

I, the Right Honourable Baron Henderson, Parliamentary Under Secretary of State for Foreign Affairs, with the approval of the Secretary of State for Foreign Affairs, hereby appoint:-

His Honour, Judge Denis O'Sullivan

Mr. Alexander Levvey Easterman, and

Professor Norman Bentwich

to be a Committee to examine the progress made in the disposal of claims under Law 59 in the British Zone of Germany, to ascertain the causes of any delays in the disposal of such claims, and to make recommendations concerning any action which might be taken by the United Kingdom High Commissioner prior to the relinquishment of reserved power in the field of restitution to remove or reduce the causes of any delays in the disposal of claims. The Committee may invite persons or organisations to give evidence before it orally or in writing.

I appoint Judge Denis O'Sullivan to be chairman of the Committee

HENDERSON

17.5.1951

338159

JRSO

March 16, 1951
File 3410

Mr. Eli Rock
Jewish Restitution Successor Organization
270 Madison Avenue
New York, N. Y.

Dear Eli:

CONFIDENTIAL
JRSO Hq. Letter #787-C
Visit of Mr. McCloy to the U. S.

I have been reliably informed that Mr. McCloy plans to go to the U. S. next week. We have a few bones to pick with him and this might be a very convenient occasion to start picking:

1. It is reliably anticipated that German power with regard to restitution will be increased. even though all indications are that they are opposed to the program and will try to defeat it.
2. The JRSO recoveries to date have been very small even though we have made a cut-rate bulk settlement with Hesse.
3. The JRSO faces the prospect that a large percentage of its assets which have been pledged for Jewish relief will instead be taxed by the Germans, to be used for relieving themselves of some of the burdens of their own aggression.
4. The small amount recovered by the JRSO face depletion in order to pay back to the Germans 2 million Marks spent by the JRSO in discovering and retrieving some of the looted properties. These burdens should be borne by the culprits rather than the victims, as was recognized when over 70 million Marks were spent during the last year as legitimate, mandatory charges for non-JRSO restitution purposes. An official HICOG report recently recognized that these are "burdens resulting from the war which in any case Germany would have to bear." Yet a demand has been made that the JRSO bear these expenses over and above the dollar outlay and significant Mark costs already incurred by the Jewish charitable organizations.
5. The JRSO has offered to trade its paltry funds, representing large numbers of Jewish houses, real estate, etc. for a handful of shacks and medical equipment to make life more bearable for some of Hitler's victims. Thus far this request has been refused even though the offer was made to take such goods only out of the internal German market.

338160

Rock #787-C

-2-

March 16, 1951

6. The Jewish Agency, using JRSO funds, had subsidized the purchase of about 200 prefabricated houses to be used by DPs emigrating to Israel. Without notice and although contracts had already been signed for further purchases HICOG ordered that this practice be halted. In notifying the Germans to terminate the licensing of these exports, HICOG stated that their decision made in the spring of 1949 "was based on the belief that liberal export licenses might contribute to a reduction of the number of Jewish displaced persons in Germany and thus reduce the tremendous burden borne by the German economy in supporting these persons. It is now considered that a continuation of this policy is no longer justified ...". The victims of German terror are therefore deprived of a roof over their heads in order that the German economy, which is infinitely stronger than that of Israel, or many European countries, may be relieved of this "tremendous burden".

In short - what the hell is going on here?

Mr. McCloy can be reminded of his recent tenderness to the Landsberg murderers and the above facts can be set up in contrast. I think it presents a pretty foul picture. Mr. McCloy's recent letter expressing "a very sympathetic attitude" on some of these problems must be held against the actual results. We do not want sympathy; we want action.

I think it would be very useful if some friend of Mr. McCloy would point these bare facts out to him and caution him that the deep accumulation of Jewish bitterness and resentment about Germany may one day erupt. Someone should suggest to him that he take some very positive steps on these problems quickly.

Go get 'im.

Cordially yours,

BENJAMIN B. FERENCZ

BEF.b.
cc:JJJ

SRuBin
Dr. Kreutzberger
Dr. Kapralik
Dr. Lachs
Zach Smaster

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C
O
P
Y

YIVO RG 347.7
American Jewish Commtee January 26, 1951
(Foreign Affairs Dept. 41-46)
Box 66 File 3

Mr. Eli Rock
Joint Distribution Committee, Inc.
270 Madison Avenue
New York, N.Y.

Dear Eli:

I had a long conversation on January 24 with Daniel Margolies and George Baker on the subject of German restitution. I will want to discuss this matter with you when I see you, which I hope will be very soon. However, I can tell you definitely, on the basis of my conversation, that:

1. We have nothing to fear so far as the attitude of the American delegation to the London Study Group is concerned. The Department is perfectly clear and explicit in its desire to make sure that restitution is continued.

2. It appears to the Department that, at some future time, when negotiations with Germany begin on the general matter of the status of Germany among the Western Allies, a whole list of reserve powers are going to have to be re-examined. It will at that time be the objective of the United States to put the obligations of Germany on a so-called contractual basis. This, however, does not mean that the United States will accept merely the word of the Germans that they will do something and rest content with that. There will be an effort made to insure that procedures are set up which, while restitution will be put on a contractual basis making it an obligation of Germany and accepted by the Germans, will also guaranty that the Allies will have some review and some power of interference.

3. The question which is agitating the Department is the manner in which the necessary interference or power to interfere can be made most palatable in the context of discussions which will probably be, in any case, very difficult. My understanding is that the Department is presently inclined toward a mixed tribunal somewhat on the lines of the commission which operates at present in the French Zone which would be weighted with Allied nationals.

4. This possibility will, as I understand it, be explored in the London meetings which are to begin shortly. When proposals will be put to the Germans, however, is quite another matter. One set of revisions of the occupation statute which were approved by the Foreign Ministers in New York have already been put to the Germans and were expected to have been put into operation some months ago are still in abeyance. It is therefore impossible for the Department to say whether the overall negotiations with Germany in which restitution would be taken up will take place in the near future or at some very remote date. In any case, the Department anticipates, on the basis of attitudes previously expressed, no great difficulty from the British and French so far as the three Allies are concerned. The Department is quite sure that a proposal will be worked out which will retain a satisfactory degree of power of review, etc. in the Allies with respect to restitution. The big problem will come when negotiations with Germany begin, at which time it is quite possible that the British and French might be willing to sell restitution in exchange for some concession or other point which they would consider more important. The attitude of the Department on this point, however, is that it will regard restitution as one of its major objectives and will not be prepared to recede in the face of such pressure.

I am sending a copy of this letter to Eugene and, in view of his letter to you of January 16, to Ben Ferencz.

Sincerely yours,

338162

Seymour J. Rubin

London

C O P Y

YIVO RG 347.7
American Jewish Committee
(Frng Affrs Dept. 41-46)
Box 66 File 3
January 16, 1951

THE U.S. ZONE RESTITUTION PROGRAM AND GERMAN SOVEREIGNTY

Since the Inter-Allied declaration at London in 1943, the Allied governments have repeatedly proclaimed as one of their basic policies in Germany, that victims of persecution would receive the return of properties which had been illegally taken from them during the Nazi regime. The restitution laws which were enacted by the occupying authorities in the three Western zones sought to carry out that pledge. Much has been accomplished toward achieving the restitution objective but much still remains undone. As the Western powers prepare to increase German sovereignty, it is opportune to consider how this important goal may, within the frame of current world events, yet be successfully achieved.

Experience in applying the restitution law in the U.S. Zone makes it manifestly clear that neither the letter nor the spirit of the prevailing enactment can be enforced without effective U.S. supervision. The German acquirers of Jewish property have, as a general rule, refused to acknowledge any moral or legal liabilities in this field. Associations of restitutors have been organized, which, through publications and lobbying, have sought to delay or defeat the restoration of properties taken by duress. Some of the leading German political parties have openly advocated drastic modifications of the law and these sentiments have often been echoed by the German press. The German restitution courts which have been entrusted with the primary enforcement of the Military Government law, frequently require reversal of their decisions by the U.S. Court of Restitution Appeals. There have been even indications of German attempts to evade the binding final rulings of the highest U.S. restitution court. All of these facts make it apparent that the fears of persecutees are not unfounded and the surrender of restitution to complete German control is to mark it for defeat.

It is submitted that the fulfillment of American promises concerning restitution is not inconsistent with other U.S. objectives in Germany. German friendship cannot be acquired by condoning Nazi wrongs. A dependable alliance can only be based upon the support of the truly democratic elements in Germany, and these should consider it no imposition for the U.S. government to complete its program on behalf of victims of Nazi tyranny. It should not be difficult to understand that those who suffered so much at German hands can hardly be expected to again entrust their interests to German control. Moreover, the entire problem is a temporary one which is rapidly solving itself as the restitution claims are settled. The brief retention of U.S. supervision in this field until the Allied promises have been fulfilled, should therefore represent no real burden to the German government.

It is accordingly submitted that the German authorities may reasonably be expected to accept the following temporary conditions:

338163

1. The retention of the present restitution law until such time as substantially all pending cases are concluded.
2. The retention of the U.S. Court of Restitution Appeals until such time as substantially all pending cases involving non-German residents are concluded. It should be noted that this court is the principal instrument for the enforcement of the restitution law and the only reliable means available for protecting the interests of those claimants who live outside of Germany.
3. The retention of the present immunities and status of the Jewish Restitution Successor Organization which was designated by Military Government to receive the heirless and unclaimed Jewish assets for relief purposes, and which represents about one-half of the active restitution claims.

To thousands of victims of persecution these points represent a minimum safeguard in an important field. The criticism which followed the denazification procedure should not be allowed to blemish the restitution efforts. The retention of modest U.S. controls, in order to consistently terminate a program which is nearing completion is not an unreasonable limitation of German sovereignty. Refusal to accept brief U.S. supervision for the orderly conclusion of the restitution program would create serious doubts as to Germany's preparedness for admission to the family of democratic nations.

BBF

338164

January 8, 1951
File 1570-C

Hon. George N. Shuster
Land Commissioner of Bavaria
APO 407-A US Army

Dear Mr. Shuster:

I have been informed by Zachariah Shuster of the American Jewish Committee that during a recent discussion you had with him, you expressed interest in obtaining, from the JRSO, a brief resume of its activities and its pending negotiations with Land Bavaria. I am therefore pleased to submit this information for your consideration.

As you probably know, one of the earliest Allied objectives in Germany, as announced at the Inter-Allied Declaration in London in 1943 was that the methods of property dispossession practiced by the German government would be negated and that property transfers effected through those methods would be declared invalid. After the war, the drafting of appropriate restitution laws pointed up the problem of what was to be done about property taken from persons who perished, leaving no heirs. To allow such property to escheat to the German States or to remain in the hands of the Aryanizers would have enabled them to profit from the extermination of the victim and his family. German officials could not be relied upon to seek vigorously the recovery of such property if the Allies would only reserve the right to disburse the proceeds for the benefit of others. Thus, the basic US policy which was formulated stated:

"It is the policy of your 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. With respect to heirless and unclaimed property, subject to internal restitution, you will designate appropriate successor organizations."

Before an organization was named as successor to heirless and unclaimed property of Jewish persecutees, it had to establish that it was truly representative of the victims and would use the proceeds for the relief, rehabilitation and resettlement of the surviving victims.

The Jewish Restitution Successor Organization was organized by the leading Jewish charitable agencies of the world in order to serve as the instrument for the carrying out of American policy concerning heirless or unclaimed Jewish assets. The Organizations which form part of the JRSO are:

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American Jewish Committee
Agudas Israel World Organization
World Jewish Congress
Council for the Protection of the Rights and Interests
of Jews from Germany
Board of Deputies of British Jews
Central Committee of Liberated Jews in Germany
Conseil Representatif des Juifs de France
Central British Fund
Jewish Agency for Palestine
American Jewish Joint Distribution Committee, Inc.
Jewish Cultural Reconstruction, Inc.
Interessenvertretung Israelitischer Kultusgemeinden
in the US Zone of Germany
Anglo-Jewish Association

The JRSO was thereupon designated by Military Government as the Jewish successor organization with the sole function of tracing, claiming and recovering those properties or securing adequate compensation therefor, and making the proceeds available for the relief, rehabilitation and resettlement of Jewish survivors of Nazi persecution.

In attempting to carry out the stated Military Government objectives under the restitution law (MG Law 59) the JRSO has encountered a number of very serious obstacles. The Aryanizers have generally refused to recognize any moral obligation to return these properties. The German administrative agencies have been inadequately staffed, and the German courts, who have the primary responsibility for enforcing the law, have often required reversals by the US Court of Restitution Appeals. At the same time there has been a cloud resting on the title of thousands of pieces of real estate and businesses, and a large amount of ill will has been generated by the delay in redressing these wrongs.

The JRSO acting solely with respect to heirless or unclaimed Jewish property, represents more than half of the total number of claims filed under the restitution law. In an attempt to eliminate the difficulties enumerated and to accelerate the entire restitution program, the JRSO proposed that it assign its claims to the Laender governments, in return for just compensation. Mr. McCloy favored this proposal and repeatedly urged it upon the Ministers President. An agreement has been reached between the JRSO and Land Hesse, according to which the JRSO assigns its claims in return for 25 million DM, to be paid over approximately the next two year period. An equally satisfactory agreement is nearing completion with Land Bremen. Negotiations toward the same end are continuing with Wuerttemberg-Baden and with Land Bavaria. With the latter, however, there have been some indications that the Land representatives may not be serious in their negotiations. Thus, Land Bavaria recently indicated that they might be prepared to offer 10 million DM, whereas any objective evaluation of the claims would justify a very much higher amount.

In one of his leading policy addresses, the U.S. High Commissioner stated:

"It is American policy that persons and organizations deprived of their property as a result of Nazi racial and political discrimination should either have their property returned to them or adequate compensation given; that persons who suffered personal damage or injury through Nazi persecution because of racial, religious or ideological reasons should be indemnified. Their wrongs can never be completely redressed but in all decency they must be faced and dealt with without evasion or subterfuge. A recovery built on a disregard of these obligations would be false and would constitute an omen of future disaster."

The restitution of confiscated property remains as one of the few criteria by which German democratization can be tested. The JRSO has sought to ease this problem and to advance a plan which would be economically, socially and politically beneficial to the new Germany, as well as to those needy victims of persecution who are the beneficiaries of JRSO aid. The plan can only be carried out successfully, however, if there is good will rather than opposition on the part of both parties. The JRSO is eager to resume its negotiations with the Finance Minister of Land Bavaria and any assistance rendered in the satisfactory solution of this difficult and pressing problem would be sincerely appreciated.

Respectfully yours,

BENJAMIN B. FERENCZ
Director General

BBF.b
Telephone: Nurnberg 61041

Bl. ZShuster
ERock
JJJacobson

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Notes on Meeting #51-1 of the Four Organizations
held on Wednesday, January 17, 1951 at the JDC Offices

Present: Dr. Wehemiah Robinson
Dr. Eugene Hevesi
Mr. Eli Rock
(Mr. Boukstein was away from the city and unable to attend)

The discussion covered the following items:

1) Proposed Delegation to Washington.-- Mr. Rock reported verbally regarding his recent visit to Washington with Mr. Jerome Jacobson, during which they discussed with State Department people the various problems involving restitution and related matters. Dr. Hevesi and Dr. Robinson expressed the opinion that, while the danger of restitution being given back to the Germans might not be a matter of today or tomorrow, nevertheless there was clear indication that the Allies would be acting on this question within the near future and that the organizations should go ahead with their preparations for a delegation to Acheson or Webb. Mr. Rock agreed that the problem required constant vigilance and that preparations for the visit to Washington should be forwarded.

Dr. Robinson also proposed that before a high level delegation actually goes to Washington, however, a Jewish delegation in Germany should visit each of the three High Commissioners. He pointed out that the High Commissioners are of primary and key importance in matters involving the occupation statute and its revision, that to a certain extent they are in a definite position to lead and influence Washington and the other home capitals (rather than follow) in the determination of the exact character of policy on these matters, and that no matter what eventual policy decisions are made, they certainly will be in a position to do great good or damage to the Jewish cause in the formulation and implementation of the details under that policy. On top of that, Mr. McCloy at least has shown himself to be extremely friendly on Jewish matters, so that the opportunity should not be missed for soliciting his support and influence before the actual policy decisions are made. Finally, such a delegation would have the opportunity of obtaining more accurate information as to what is going on in the minds of the influential people in these matters than apparently has been obtainable thus far in the various home capitals.

It was agreed that from a number of viewpoints the suggestions for a delegation to visit the High Commissioners appeared sound and should be presented at once to the Agency and JDC. Such a delegation would include representatives of the Agency, the JDC, the Committee and the Congress in Europe, as well as one or two representatives of French and British organizations, and would visit each of the High Commissioners separately. It was also pointed out by Dr. Hevesi that in order to be effective the suggested visits in Germany should take place in the very immediate future and that a report of the results should be communicated at once not only to the organizations in the U.S. but also to the

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Jewish organizations in France and England. Thereafter the high level delegation in the U.S. could promptly visit Acheson, and similar delegations could be arranged for Paris and London. In the meanwhile also, further work could take place on the memorandum which will eventually be submitted to Mr. Acheson, although the final draft can probably not be worked out until the report of the delegations in Germany has been received. It was suggested that the memorandum should cover the following points: Status of restitution, residual claims against Germany, General Claims legislation and the position of the absentees (the latter referring to transfer questions, protection from German taxes, etc.) While the coverage of the memorandum could be broad, the actual discussion with Mr. Acheson (or Webb) might be limited to one or more topics depending on the information available from Germany at the time.

2) Amendment to the Trading with the Enemy Act.--- There was discussion as to the procedure for resubmitting during the present session of Congress the proposed amendment to Section 32 of the Trading with the Enemy Act. Dr. Hevesi pointed out that Mr. Patterson would not be available to continue handling this matter, although he had consented to write to Senator Taft asking him to be a sponsor of the bill again. It was also suggested that Senator O'Connor of Maryland might be the co-sponsor. With reference to the actual follow-through in Washington, it was suggested by Mr. Rock that since a national figure like Mr. Patterson would not now be available for the job, the work might best be done by the regular representatives in Washington of the Committee and the Congress, working jointly. This proposal was found acceptable and it was agreed to recommend it to all parties concerned.

* * * * *

YIVO RG 347.7
American Jewish Committee
(Frng Affs Dept. 41-46)
Box 66 File 3

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

December 19, 1950
File 1101-C

C O P Y

Mr. Eli Rock
Jewish Restitution Successor Organization
270 Madison Avenue
New York, N. Y.

Dear Eli: JRSO Hq. Letter #670-C
 Re: Restitution as a Reserved Power

My letter No. 648-C of December 6 seems to have anticipated your letter of December 12, dealing with restitution as a reserved power.

One thing should be kept in mind; the situation here is in a constant state of flux and varies from day to day, depending upon international developments. The promises and good intentions of HICOG today may be over-ridden by the larger world objectives of tomorrow. For this reason it is particularly important that we keep our interests constantly before the responsible authorities and do everything possible to persuade them that the fulfillment of the restitution pledges is not inconsistent with any other Allied objectives in Germany.

The only logical reason for surrendering restitution to German control would be that (a) the Allies were no longer interested in achieving their stated objectives in this ^{field}, or (b) the Germans have demonstrated a willingness and ability to carry out the Allied goals. Any examination of the facts will disclose that the latter point is certainly not the case. The German court decisions have been unfavorable, have required reversal by CORA and despite such overruling by the highest Allied court, the German courts have contemptuously refused to be bound by some of those decisions. Several German political parties have openly favored drastic modifications of the law and no serious German voice has been raised in defense of restitution. The German restitutors have consistently refused to acknowledge their moral and legal liabilities. Nor do I believe that point (a) is valid, for Mr. McCloy has repeatedly shown that he is sincerely interested in correcting these particular Nazi wrongs. On what grounds then can we justify the surrender of restitution to the Germans at this time?

The only argument which to my mind remains is that in this field the Allies are prepared to be indulgent and to permit the Germans to perpetuate this "petty evil" if they will join us in a more important cause. We must persuade the interested officials that if this is the

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policy, it can only lead to disaster. Our only hope in Germany is to support such democratic forces as may exist and to ally ourselves with them. To allow restitution to die is to encourage those who brought on the last world catastrophe and to join ourselves and even depend upon those evil forces seems to me to be a reckless and ill conceived clutching at straws. We cannot buy German favor by shutting our eyes to German deficiencies. Our real strength lies in demonstrating that we are determined to correct the wrongs which exist and that we will only accept Germany into the family of nations when it has demonstrated point by point that it is not prepared to countenance or repeat the mistakes of the Third Reich. As this demonstration is made, then and then only should each point of Allied control be relinquished.

This is the argument I have been making here and I was happy to see that you and Jerry will shortly be in Washington to deal with this problem. I hope that you will be able to make a similar argument there.

Cordially yours,

BENJAMIN B. FERENCZ

BBF.b
JJJ
Kapralik

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C O P Y

December 6, 1950
File 1101-C

Mr. Eli Rock
Jewish Restitution Successor Organization
270 Madison Avenue
New York, N. Y.

Dear Eli: JRSO Hq. Letter 648-C
RE: Restitution as Reserved Power

While in Frankfurt yesterday. I also had occasion to review the position of restitution as a reserved power. One conclusion was clear - restitution will remain a reserved power as long as the Allies have any reserved powers but the Allies will not have any reserved powers for very long.

I made two principal points during my discussion; one was that every effort should be made to accelerate the present restitution program. This could be done by the JRSO bulk settlement with all Laender, then placing the former JRSO claims at the end of the list. This would give priority to individual cases where Allied control would be more important than in the matter of suits between the German Laender and their own citizens.

Another specific step would be to strengthen the Court of Appeals by designating a third permanent member so that the maximum number of issues could be quickly decided.

As you know, the law has already been amended to impose costs upon losing appellants, and the procedure has been changed to cut down the long periods of delay in the servicing of cases.

I also stressed the fact that it must be forcibly and continually brought home to the Germans that they will not be permitted to escape their restitution responsibility.

The second principal point I stressed was that if the Allies can hold on to restitution for about another year. the great bulk of the program in the US Zone may be completed. With victory in sight I urged that restitution not be permitted to follow the path of denazification. In support of this position I pointed to the fact that over 15,000 individual claims were fully disposed of during the past year and that only 40,000 remain. Of these 40,000 perhaps 10,000 or more represent claims against the Reich which can be disposed of in a routine manner. With the acceleration of the program through the issuance of more decisions of the Court of Appeals. the imposition of costs, the cutting of time periods, and the application of the judicial machinery which was prepared for JRSO cases to the handling of the individual claims. it should be possible to see practically the whole business through by the end of 1951. Then, if the Germans assume contractual liability to carry out the MG Law 59 and to be bound by the decisions of CORA, I think, at least as far as the US Zone is concerned, we will have successfully accomplished our mission. As far as the other zones are concerned, God help them.

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I am sure that these views will be conveyed to Mr. McCloy and I think he will agree with them.

Cordially yours,

BENJAMIN B. FERENCZ

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

ANNUAL REPORT -- 1950

I. Introduction

The officers of the JRSO, together with the Jewish Agency for Palestine and the American Jewish Joint Distribution Committee as the JRSO's operating agents, are pleased to submit herewith the 1950 Annual Report of the Corporation. The Report covers the period since October 1949, which is the date when the Corporation's last Annual Report was submitted. In addition, the officers submit herewith a report prepared by Jewish Cultural Reconstruction, Inc., which is the JRSO's operating agent in charge of cultural properties, covering a similar period of activities.

When the last report was prepared in October 1949 the recovery of property by JRSO was just beginning. Many of the problems then faced have now been overcome, yet new obstructions have appeared to take their place. Both the achievements and the remaining difficulties are here briefly outlined.

II. Operation of Military Government Law 59

German opposition to the restitution program has been steadily mounting. There has been a persistent failure by the German governments, political parties, or restitutors to recognize moral or legal liabilities with respect to former Jewish property. Under the deceptive banner of "Association for Loyal Restitution" aryanizers of Jewish property have joined to defeat and destroy the Military Government restitution laws. This association has launched an active campaign through its permanent legal staff, its highly circulated periodical, its mass meetings, and its professional lobbyists in Washington and other allied capitals which is designed to insure for restitution the fate of denazification. Attacks against Law 59 have been increasing in the German press and legal publications and many of the German courts have rendered decisions showing a total disregard and disrespect for the Allied goals in this field. Fortunately the U.S. Court of Restitution Appeals has been in a position to review and reverse these judgments but German accusations against the court and defiance of the court orders have also begun. A recent motion by the Christian Social Union, the leading political party in Bavaria, pledged that group to an attempt to have restitution surrendered completely to German hands. At the same time the CSU openly advocated the destruction of the most basic principles underlying the law. Similar motions have been made in Bonn by other political parties.

The vigilance of the US authorities, although already impaired by the loss of supervisory personnel, has enabled the restitution program to move forward. Less than 70% of the claims filed by former Jewish owners still remain for disposition and about 25% of the total sum was completed in the past year.

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HICOG is undertaking legislative and administrative measures to insure acceleration in the completion of cases. If this progress could continue unabated it would be possible to substantially complete the program within the next two years.

Despite the fact that the goal has finally been sighted, there is considerable danger that these hopes will yet be frustrated. Germany has recently acquired a new role in world affairs and the importance of restitution as an occupation objective is increasingly being viewed in an inverted perspective. The retention of Allied control for any considerable period may therefore be seriously jeopardized, even though interests of allied nationals are predominantly affected. Although the United States is eager to see the program through to successful completion, it appears necessary to persuade the other Allied powers that their pledges to Jewish persecutees are not inconsistent with the present objectives in Germany and that these promises cannot and should not now be abandoned. It is in this context of opposition and uncertainty that the JRSO seeks to carry out its mission.

III. The Operation of the JRSO in Germany.

1. Organization and Administration

At the end of March 1950 the JRSO was advised that German funds could no longer be appropriated by the occupation authorities to help cover the JRSO expenses involved in retrieving confiscated Jewish property. After much dispute this decision was modified and the vital assistance was promised for another year on condition that the JRSO promptly reimburse the amounts involved. The position taken by the JRSO was that such expenses were a legitimate mandatory charge against those responsible, yet if full restitution was made these relatively small costs could be shouldered by the JRSO. In the event substantial restitution is not made before next March there will undoubtedly be heated controversy over the question of whether the German economy may demand a prior right to JRSO assets over the urgent relief needs of persecutees.

At the end of June the JRSO was advised that its use of Army requisitioned facilities and other privileges was being curtailed. Representations in Washington were necessary before it was agreed that JRSO would not be treated as a private commercial firm or as a charitable agency voluntarily in Germany to serve the Germans, and would therefore continue receiving its previous logistic support. This aid too was limited to March 1951 at which time the entire matter of funding and facilities will have to be redebated.

The 11 JRSO offices spread throughout the US Zone, in Berlin and in New York with a total staff of 250 Germans and 22 Allied Jewish supervisors have continued to function as a coordinated and effective team. Additional lawyers have been recruited from Israel so that there would be no slackening in the drive for restitution. Despite the increase in the number of offices and Allied personnel savings have been effected elsewhere so that the dollar expenditures have remained well within the approved budget.

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In addition to previous funds, the Jewish Agency for Palestine and the Joint Distribution Committee have appropriated a total of \$144,860 for the year 1950 to cover the JRSO's and JCR's requirements. In addition, Deutschmark borrowings have been made by the corporation in Germany, which are being currently repaid.

2. Functional

The JRSO is about a year behind the progress shown by private restitution claimants, since it could only proceed after being certain that no other claim had been lodged. Nevertheless over 2,000 cases have already been amicably settled providing the JRSO with assets worth over 7 3/4 million marks (about \$1,850,000). Of this amount over 4 million marks has been received in cash with the balance divided between amounts receivable and real estate actually returned. Over 3 million marks in cash have been advanced to the American Joint Distribution Committee and the Jewish Agency for Palestine, to be used in the relief and rehabilitation programs of those organizations, including the shipment of pre-fabricated houses to Israel.

Of the approximately 15,000 petitions for real estate which are the core of JRSO's assets it has been found that the vast majority concern small or heavily encumbered houses or plots which require lengthy and meticulous handling if the maximum values are to be extracted. This tedious process coupled with the already existent time lag and the general trend of events in Germany has impelled the JRSO to seek some new means for the hasty completion of its operations and for expediting the entire restitution program.

The JRSO has offered to assign all of its undisputed claims (saving religious, cultural properties, and its claims against the German Reich) to the Laender governments in return for a fair payment. The bulk of the restitution claims would thereby become a matter between the Laender governments and their own citizens. The US High Commissioner has actively supported this effort by urging the Ministers-President in the U.S. Zone to demonstrate to the world their willingness to help correct some of the Nazi wrongs. Thus far the Laender governments have paid only lip service to this suggestion. Extensive negotiations have been conducted with the Finance Ministers and the JRSO has made available all of the files and records from which a fair offer could be deduced. The negotiations are continuing unabated in the JRSO's determination to do everything possible to persuade the German officials that it is in the mutual interest to have a speedy, fair and friendly "bulk settlement". Preparations are also being made for the assertion of claims against the Reich which are now unenforceable since the designation of a legal successor for Reich liabilities will await a Peace Treaty with Germany.

The JRSO is moving out of the phase of attempting amicable settlements with restitutors and over a hundred JRSO disputes are now pending before the tribunals of second instance. The Court of Restitution Appeals has rendered a

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number of decisions supporting the position of the JRSO and other Jewish claimants. Among the most important was the decision requiring that only 1 DM need be repaid for every 10 Reichsmarks which the Jewish owner received for his property, the decision requiring the German municipalities to make good the Nazi confiscation of jewels and precious metals which was aided by the municipal pawnshops, and the opinion assuring the JRSO that those who failed to file their claims before the deadline set by the law could not subsequently divest the JRSO of its acquired legal rights.

It is felt that 1951 will be the year of decision for the JRSO and all energies are being directed toward the realization of the most important assets before or during that time.

IV. Special Problems.

1. Jewish Communities in Germany.

When the report of last October was written all the Jewish Gemeinden in the US Zone challenged the right of the JRSO to dispose of former Jewish communal property. Since that time complete agreement has been reached with all of the communities in Land Wuerttemberg-Baden except Mannheim and with Darmstadt in Hesse. The Berlin Gemeinde entered into a signed agreement with the JRSO and subsequently went back on this contract. With much difficulty and with much patience negotiations with the other communities are still continuing rather than taking the issue before the German courts.

2. Restitution Law for Berlin.

The JRSO has been designated the successor organization in the US and French Sectors of Berlin. An agreement is being concluded with the successor organization in the British Zone (The Jewish Trust Corporation) according to which the JRSO will act as their agent in the British Sector. This will eliminate legal and jurisdictional problems and it will assure uniformity and economy in action and administration. The claims for real estate have been completed in all three sectors and the preparation of documents necessary to substantiate each case is in progress. The initial indications are that the number of properties left unclaimed in Berlin will be proportionally fewer than in the Zones but they are properties of greater value. The shortage of funds in Berlin and its unfavorable strategic location will be factors mitigating against large or speedy receipts by the JRSO.

3. Restitution Law for the British Zone.

The Jewish Trust Corporation has been recognized and has begun functioning as the successor organization in the British Zone. The JRSO has extended full cooperation to the JTC and is working in close collaboration with them in order that the experience gained in the US Zone may be used to advantage.

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4. The General Claims Law.

Recovery for Nazi inflicted damages to property has low priority under the General Claims Law and the JRSO has not yet received any compensation as a result of such claims. The JRSO has been instrumental in obtaining a HICOG license for the United Restitution Office to establish offices in the US Zone and to assist needy claimants under the General Claims Law. This aid is now proceeding in a reliable and organized manner.

5. The Legal Aid Department

The Legal Aid Department of the JRSO now represents about 3,000 indigent claimants in seeking to recover their property under the restitution law. The department has recovered for its clients assets worth almost $5\frac{1}{2}$ million marks, of which $1\frac{1}{2}$ millions have been settlements for DM payments. The collection of modest service charges from successful claimants has begun to return to the JRSO some of the expenses incurred in making this type of legal assistance available.

6. Administration and Sale of JRSO Properties.

With the rise in political tensions it has been increasingly difficult to sell properties of substantial value. Administration of small parcels in scattered localities has proved an uneconomic undertaking and efforts are therefore being made through an established network of brokers to find buyers before there is a formal restitution of the property. A separate department of the JRSO now supervises the administration and sale of more than 200 pieces of real estate.

In addition over 150 former Jewish cemeteries have been returned to the JRSO. These have been placed in a special category so that their sanctity might be preserved. In July the JRSO met with representatives of all the Jewish communities in the US Zone, the Central Committee of Liberated Jews, the Israeli Consul, the JAFF, the AJDC, the World Jewish Congress, and the American Jewish Committee in order to formulate a program which would insure the restoration and respectable maintenance under Jewish supervision of all former Jewish burial grounds. It was agreed that supervisory responsibility would rest with the Landesverbaende of the communities, but efforts should be made to have the German governments assume the expenses involved. A committee was appointed to carry out these plans and efforts to bring them to practical realization are still in progress.

7. The Safe-Keeping, Investment and Transfer of JRSO Funds.

There has been no problem concerning the transfer of JRSO funds since all available amounts have been promptly transferred to the operating agents for their programs.

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When a private bank called the Jewish Restitution Bank was established in Frankfurt the JRSO refused to have any dealings with them and went to great lengths to publicly disassociate itself from this institution. As a result of this action the good name of the JRSO was not tarnished in official circles when the restitution bank was ordered closed and several of its officials were arrested or fled in connection with charges of illegal transfers and embezzlement of Jewish funds. The JRSO has been endeavoring to procure the establishment of an agency of unquestionable integrity to deal with the investment and transfer problems faced by Jewish restitution and indemnification claimants. With the support of the operating agents the International Trust Corporation was recently created for this purpose. This organization has not yet begun functioning but it is anticipated that they will soon be in operation to provide a means for rendering this financial assistance in a reliable manner.

8. Board of Equity

Almost a thousand persons have thus far informed the JRSO that although they failed to file their restitution claims on time they demand the delivery of the assets acquired by the JRSO as a result of their inaction. This has raised several problems of principle and public relations and efforts are being made to arrive at an equitable procedure which will insure a just handling of every individual claim.

The JRSO has requested HICOG for a general license to assign its rights in such cases where the JRSO feels the demand to be exceptional and meritorious.

An amendment to the restitution law has also been requested so that no German transfer or gift taxes would apply to such an assignment. Since this essential authorization and the amendment are still outstanding, indecision by the JRSO has not been prejudicial to any of the late claimants.

V. Summary and Conclusion

World political developments have had repercussions affecting the restitution program. The many trials of the past year have been successfully overcome. There have been substantial achievements in recovery of assets, sale of properties, conquering legal obstacles, settling differences with the Gemeinden, offering aid to needy claimants, preparation of cases, and administration of offices and personnel. The fulfillment of the restitution objectives grows increasingly difficult and the JRSO is pursuing its efforts to reach a speedy global settlement with the German Laender. There can however be no relaxation of the drive for restitution and the determination and vigilance of the interested organizations.

* * * *

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JEWISH CULTURAL RECONSTRUCTION, INC.
1841 Broadway, New York 23, N. Y.

REPORT OF ACTIVITIES FOR THE YEAR
Oct. 1, 1949 - Sept. 30, 1950

A. Activities in Germany

1. Processing and Distribution, Wiesbaden Depot

Approximately 100,000 books were processed during the period under review. They fall into the following categories:

- 49,000 books, which constitute the remnants of German Jewish institutional libraries (approximate);
- 45,000 - 50,000 books marked with the names of individual owners;
- 1,000 rare books (approximate).

We received title to the German Jewish institutional collections and the rare books. These were shipped during the period under review to the following countries:

Israel	158	Cases	
Switzerland	73	"	
Great Britain	16	"	
France	4	"	
Sweden	7	"	
Morocco	3	"	
South Africa	1	"	
United States	53	"	
Berlin	<u>4</u>	"	319 Cases
Latin America			
Argentina	34	"	
Bolivia	3	"	
Chile	5	"	
Costa Rica	3	"	
Ecuador	1	"	
Mexico	6	"	
Uruguay	5	"	
Brazil	18	"	
Peru	<u>4</u>	"	<u>79</u> Cases Total 398 Cases

There are still left in Wiesbaden approximately 3,000 books.

We did not as yet but expect to receive title to the individually owned books by the end of this month.

All books which belong to individual owners of six or more books were segregated and set aside for eventual restitution. There are approximately 16,500 such books

belonging to 830 individual owners. The remainder will be distributed as usual. Everything is ready for shipment and all shipments will be completed by the end of the year.

2. Newly Recovered Material

During the first nine months of this year JCR discovered and took possession of the following items:

About 10 cases of odd archival material
165 ceremonial objects
58 Torah Scrolls, and
more than 50,000 books in the following categories:

150 rare books, several hundred stray volumes and approximately 50,000 unidentifiable heirless books which had been turned over to the German authorities and which we succeeded in recovering. Only about 10% of this material is Judaica.

3. The More Important Pending Claims

The following items are either claimed through JRSO or being negotiated for by JCR directly:

- a. 18 cases with approximately 500 ceremonial objects, the remnants of the Jewish Frankfurter Museum collection.
- b. The Jewish community archives of Bavaria, now held by German state or municipal archives in Bavaria
- c. Several thousand Judaica, now held by the municipal authorities in Munich.
- d. 3,000 Judaica and Hebraica originating from the library of the Munich Reichsinstitut zur Erforschung der Judenfrage, now held by the Jewish Zentralkomite in Munich.
- e. Several thousand books and a considerable amount of stray archival material, now held by the Jewish community in Berlin.
- f. An as yet undefined number of Torah Scrolls also held by the Jewish community in Berlin.

4. Investigations

During the period under review, JCR made a special effort to ascertain the amount of Jewish cultural property which has survived in the three Western zones of Germany--in addition to the material collected in the Offenbach depot--and in Austria,

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and to take the necessary steps for its recovery in the American zone of Germany. (Detailed reports on these activities, actual findings as well as negotiations with German officials, which have led to the recovery and the claims of Jewish cultural property mentioned above, are available in the office of JCR and have been circulated among its members of the Board of Directors and the Advisory Committee.)

B. Processing and Distribution of Jewish Cultural Property in New York

1. Books

During the period under review books were distributed to institutions in the United States and Canada only. Allocation to Latin American countries was made directly from Wiesbaden (see above) in order to reduce the freight charges.

A total of 51,427 books were distributed from the New York depot, as follows:

37,244 to 37 libraries in the United States
9,812 to 45 Yeshivoth in the United States
1,500 to Canada
2,871 periodicals were set aside for later shipment to HUL

2. Ceremonial Objects

3,815 Ceremonial objects were listed and catalogued. 1,782 of these were classified as museum objects and were allocated as follows:

1,054 objects were distributed to eleven museums and institutions of higher learning in the United States.

728 objects were allocated to countries abroad which had not yet received their share of these objects.

247 to England
150 to South Africa
151 to Canada
150 to Argentina
30 to Curacao

Distribution to Latin American countries has not yet been completed. The remainder of the objects will be distributed during the next few months to congregations in the United States.

Oct. 17, 1950

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JRSO EXECUTIVE COMMITTEE MEETING

Monday, October 2nd, 12:00 noon

Present: Dr. Israel Goldstein - Chairman
Mr. Maurice M. Boukstein, JAFF
Mr. David Glickman, AJC
Mr. Monroe Goldwater, JDC
Mr. Herman Gray, AJC
Rabbi Isaac Lewin, Agudas
Dr. Nathan Stein, Council of German Jews
Dr. Nehemiah Robinson, WJC
Mr. Eli Rock, Secretary
Dr. Hannah Arendt, JCR
Mr. Herman Muller, Council of German Jews
Dr. Simon Segal, AJC

CONFIDENTIAL

The meeting began at 12:30, and inasmuch as the representatives of B'nai B'rith were expected at 1:30, Dr. Goldstein suggested that there be a preliminary discussion of the B'nai B'rith problem. Mr. Rock summarized for the meeting the background of the entire problem. He emphasized the distinction between claims by B'nai B'rith as the legal claimant or legal heir, and claims which B'nai B'rith might put forth under some successorship principle. B'nai B'rith has made a number of attempts along the latter lines, particularly under Control Council Directive 50. There was no indication up to the present time that B'nai B'rith would be able to recover the property as legal claimants.

B.B. was now charging JRSO with having violated the Warburg letter of March 1949, wherein JRSO pledged to assist B.B. in its efforts to recover the property as legal claimant. Mr. Rock pointed out that in the first place the validity of such a pledge was not indefinite and that after a reasonable amount of time had elapsed, further steps might be necessary on the part of JRSO. Moreover it was clearly understood at the time the letter was written, that B'nai B'rith would not attempt to recover the property as successor, but only as legal claimant. B'nai B'rith has, however, made attempts to recover as successor.

Mr. Boukstein stated that in 1949, several months after the first meeting with the B.B. people, when Ferencz was in this country, a meeting was held of the operating agents at which time the B.B. question was discussed. It was then felt by Messrs. Warburg, Leavitt, Schwartz and Ferencz that it might be possible to work out some kind of agreement, and with their consent he (Boukstein) had invited Bernie Bernstein for an informal conversation on the subject. At that time he asked Col. Bernstein whether he was interested in establishing B.B.'s legal rights in Germany, or whether he was interested in recovering the property or its proceeds. He also asked Bernstein whether E.B. intended to reestablish its lodges in Germany. He pointed out that if E.B. were merely interested in recovering the property, something might be arranged, although he had no authority to make any definite commitments. At that time Bernie Bernstein clearly rejected the idea of abandoning any

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attempts to establish the legal rights of B.B., although he indicated that B.B. was not planning to reestablish any lodges in Germany or carry on its program there, except insofar as this may be required at any time by the actual situation. On the other hand Col. Bernstein assured Mr. Boukstein at this time that if they were to recover the property they would put it to the same use that JRSO would, i.e. the bulk of it would go to Israel.

Mr. Boukstein further stated that he felt that the Executive Committee was not sufficiently informed as to the motives of B.B. More should be known about the possible effects of this question on the JRSO bulk settlement negotiations, about possible legal obstacles, about the purposes of B.B. in establishing their legal rights in Germany, the reasons for the high pressure campaign they have been conducting against the JRSO Executive Committee members, etc. He felt that unless all these factors were known, the Committee had no real basis for action, and he emphasized that no decision should be reached at this particular meeting, but that rather the question should be discussed further after the meeting with B.B. Then, however, he believed the answer should be given to B.B. within 10 days.

Dr. Robinson then stated that even if B.B. should reestablish itself in Germany, it would never be identical with the former lodges and could not claim as original owner. It would be very difficult for JRSO to grant that they have a stronger claim than any other group, and any agreement with them might prejudice our negotiations with the other groups.

Simon Segal pointed out that in his opinion B.B. got some justification for their actions out of the Warburg letter. He felt that there should have been some communication with B.B. before JRSO went ahead and pressed the claims. It might have been better judgment not to interfere in those cases and to leave them strictly alone for the time being. We should have given them more time to press their claims.

Dr. Lewin stated that he agreed with Mr. Segal. He felt that after all this had been B.B. property and that it was only just that it should revert to B.B. again. In his opinion, even if JRSO should recover the property, it would be morally obligated to turn it over to B.B. He felt that the JRSO lawyers would be able to work out a formula which could achieve this without prejudicing JRSO interests generally. In any event, the proceeds of the property should be turned over for B.B. purposes.

Mr. Boukstein pointed out that Mr. Ferencz, who enjoyed the fullest confidence of the Executive Committee, had considered it to be very dangerous to the JRSO position if JRSO were to waive its claims.

Dr. Gray stated that one serious question should be answered, viz. assuming B.B. were allowed now to continue to claim as legal owner, and assuming they were eventually defeated, would there still be time left for JRSO to save the property?

Mr. Rock stated that in his opinion it would merely postpone the fight if we now were to continue to let B.B. claim as legal owner and no more.

Dr. Segal stated again that he felt that JRSO had acted too hastily in going ahead with its claims.

-3-

Mr. Boukstein pointed out that there were a great many legal problems inherent in all these questions and complications were apt to arise. He felt that if the committee were morally satisfied that B.B. had a claim to this property, an effort should be made to arrive at an agreement.

Mr. Goldwater stated that in earlier conversations B.B. had requested a legal commitment in advance from JRSO to the effect that if B.B. were unable to recover the property and JRSO did, JRSO would turn the property over to B.B.

Dr. Gray pointed out that Dr. Segal merely suggested that B.B. should have their "day in court". Mr. Goldwater felt that we could do this only so long as it did not prejudice JRSO position.

Mr. Glickman suggested that if the courts decided that the B.B. claim was not valid, steps should then be taken by JRSO to reach an agreement with B.B.

Rabbi Lewin now submitted the following motion. He stated that he felt that JRSO position is more prejudiced in a fight than in a settlement. We should attempt to reach a settlement on the basis that B.B. would withdraw its claims. A committee should be appointed to sit down with B.B. and to work out such a settlement, with the understanding that we would make a settlement with them as to the proceeds.

In this connection Mr. Glickman pointed out that we could not at the present commit ourselves to any specific settlement of the proceeds, since we don't know yet what amounts we will be getting in bulk settlement. He therefore suggested that Rabbi Lewin's motion be amended to the effect that if we arrived at a bulk settlement, we would attempt to reach a settlement of the proceeds with B.B.

Mr. Boukstein suggested that the meeting with the B.B. representatives should take the following course. The B.B. people would make their representations. No decision would be arrived at at the meeting, but a subcommittee should subsequently work on the matter for about 10 days and then come back to the Executive Committee-- then B.B. could be notified of the decision. Any commitments at this time might later put the committee in an untenable position.

Dr. Goldstein also urged that the arguments which had now been set forth by the committee members should be made to the B.B. representatives. He also requested Rabbi Lewin not to make his motion at the present time, pending a final decision.

* * * * *

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COPY.

JRSO
September 8, 1950

MEMORANDUM

TO : Mr. Shepard STONE
Director, Office of Public Affairs
HICOG

FROM : Mr. Z. Smster
American Jewish Committee

SUBJECT: The Overall Settlement of JRSO Restitution Claims in the
American Zone of Germany.

- I. The following is a brief outline of the background and present state of negotiations between the JRSO and the German Laender to effect the Overall Settlement of JRSO claims in the US Zone.
1. The Jewish Restitution Successor Organization was organized by the leading Jewish Charity Agencies of the world in order to serve as the instrument for the carrying-out of American policy concerning heirless or unclaimed Jewish assets. The JRSO was thereupon designated by Military Government as the Jewish Successor Organization with the sole function of tracing, claiming and recovering those properties or securing adequate compensation therefor, and making the proceeds available for the relief, rehabilitation and resettlement of Jewish survivors of Nazi persecution.
 2. The JRSO has completed that part of the task dealing with the tracing and claiming of heirless Jewish assets. It is estimated that of the total of over 160,000 claims filed by JRSO, between 50,000 and 75,000 are active cases requiring a return or indemnification. This constitutes more than the combined total of all petitions filed by individual claimants under the Restitution Law.
 3. During the past year, JRSO has been trying to reach amicable settlements with many of the restitutors concerned. From an analysis of these negotiations the conclusion is inescapable that the objective of "speedy restitution to the maximum extent possible", as declared in Art. I of the Law, will be exceedingly difficult, if not impossible, to attain.
 4. The JRSO accordingly proposed that in return for just and reasonable compensation from the Laender, its claims be assigned to the respective Land Government who would have been the recipient of heirless assets under normal circumstances. The Land Governments may then employ their own administrative machinery dealing with the claims for restitution which they will consequently have against the German restitutors. This would permit more than half of the total number of the restitution cases to be disposed of promptly

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and thereby the handling of the remaining cases of individual claimants likewise would be greatly accelerated.

5. The many reasons favoring the speedy conclusion of the restitution program are well known. The attainment of the remedy provided in the law is long overdue. The cloud which now rests on the title to thousands of businesses and parcels of real estate would be more quickly removed, thereby facilitating the reconstruction, repair and use of an important segment of the German economy.
6. The restitution of confiscated property remains as one of the few criteria by which German democratization can be tested and delays in this program will surely be interpreted as a sign of German opposition.
7. It must be recognized that this proposal is equally as beneficial to the German economic and political situation as it is in attaining the goal of American Restitution Policy. It would enable the rapid stabilization of an important segment of German real property, thus facilitating the repair and more extensive use of properties for business, agriculture and housing.
8. The Land Governments are in a better position to proceed against German Nationals than is the JRSO. Where the restitutors have been financially unable to make an offer approximating a reasonable compensation payable within a short period of time en lieu of returning the property, the JRSO has felt that it has no alternative but to pursue the recovery of the property. Thus, the restitutor might be required to surrender a house in which he has been living for the past 10-15 years. In such cases, he has generally refused to settle the case amicably and instead has sought to oppose and delay the proceedings as long as possible. The Land Governments are able to accept compensation from the restitutor over a long period of time, probably in the form of slightly additional tax levy. They could thereby permit the restitutor to repay his home or business.
9. Such economic disruption which may be caused if the JRSO, as a short-term agency, is compelled to sell thousands of parcels of real-estate within a relatively short period could be obviated. It is felt that the restitutors would be less inclined to pursue dilatory measures and appeals against their own government. Further, the hostility which normally accompanies litigation and which in this instance might be construed as a rise in Antisemitism would not occur.

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10. The German restitutors would welcome any chance which would enable them to deal with their own government under more favorable terms than dealing with an American Organization. Early and satisfactory conclusion of the restitution program would enhance Germany's prestige in the eyes of the world and would demonstrate the new German Government's determination to help make good some of the Nazi injustices.

- II. Mr. McCloy fully endorsed this proposal and in conferences with the Minister Presidents on April 11, June 6, and August 22, 1950 urged them to do everything possible to bring about the Global Settlement of JRSO claims in the American Zone.

- III. The JRSO, the Finance Ministers of the US Zone, and representatives of HICOG met on June 2 and August 25 to discuss the details of the proposal and establish a standard for the evaluation of the JRSO claims. Furthermore, the JRSO representatives in the field and representatives of the German Finance Ministries met frequently to examine JRSO records and other pertinent data.

- IV. Land Hesse has furthest advanced in the analysis of JRSO claims but has thus far made no serious offer which would enable JRSO to bring negotiations to a successful conclusion. The JRSO believes that its claims in Land Hesse are worth about 40 - 50 Million marks.

338187

YIVO RG 347.7
American Jewish Committee
(Frn Affrs Dept. 41-46)
Box 66 File 3

July 17, 1950.

Dear Mr. Ferencz,

Upon my return from Germany I found your letter of June 30th with the enclosed statistical table on the present situation of the restitution program in the U.S. Zone. As I told you in Frankfurt, I referred to this problem in my conversations with high HICOG officials and stressed the importance of finding a satisfactory and speedy solution. I have a feeling that HICOG is at the present moment very sensitive to all problems related to the Jewish situation and are in a greater mood of cooperation than ever before. I would very much appreciate it if you would let me know soon what we should propose to HICOG to do both with regard to your proposal of global settlements and to the question of logistics. I expect to be in Germany again in about three or four weeks and I think I could help in promoting our mutual objectives on both matters.

Hoping to hear from you soon and with best regards,

Sincerely yours,

Zachariah Shuster.
European Director.

Mr. Benjamin B. Ferencz,
Director General,
Jewish Restitution Successor Organization,
APO 696 A.
U.S. ARMY.

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C O P Y

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

30 June 1950 BBF/uk

Mr. Zachariah Shuster
30 Rue La Boetie
Paris 8, France.

Dear Mr. Shuster:

Last January Mr. McCloy wrote to each of the Minister Presidents of the four Laender in the U.S. Zone advising them that the progress being made in carrying out the restitution program was not satisfactory. He requested them to take immediate steps to provide for an increase in their staff and facilities by three to four times in order that the work of the restitution agencies (the bodies of 1st instance only) be completed by 31 December 1951.

I am enclosing some of the official statistics showing the disposition of individual restitution cases from January through May. You will notice that there has been no increase and, if anything, there may be a slight decrease in the total dispositions.

I think it may be fairly concluded that the German officials have not accelerated the restitution program and that the application of heirless property for the relief of Jewish survivors has thus far failed to materialize.

With best regards,

BENJAMIN B. FERENCZ
Director General

1 Incl.: a/s
Tel.: Nuernberg
61041, ext. 1

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C O P Y

SUBJECT: The Disposition of Individual Restitution Cases -
 January - May 1950

Month	Total Dispositions	Restitution Agencies			Restitution Chambers		
		Amicable Settlements	Transmittal to Chambers	Withdrawals	Adjudications	Appeals to Higher Courts	Withdrawals
January	1333	522	383	536	93	46	21
Febr.	1578	656	495	646	90	38	30
March	1306	507	525	444	117	27	43
April	1311	535	502	443	107	45	16
May	1238	576	552	340	109	37	28

On hand on 31 May 1950 at:

1. Restitution Agencies: 41,784
2. Restitution Chambers: 3,855
3. Oberlandesgerichte: 164
4. Court of Restitution Appeals 49

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3/21/50

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SLAWSON
WISECOM NEWYORK

CONFIDENTIALLY LEARNED NAHUM GOLDMANN MAURICE BOKSTEIN REPRESENTING JEWISH AGENCY
SCHWARTZ REPRESENTING JOINT MEETING PROBABLY NEXT WEEK WITH MCCLOY TO SEEK FINAL
SETTLEMENT RESTITUTION PROBLEM AMERICAN ZONE THROUGH CASH PAYMENT LIEU PROTRACTED
PROCESS OF MARSHALLING AND LIQUIDATING HEIRLESS ASSETS STOP SINCE JOINT AGENCY SOLE
BENEFICIARIES JRSO COMMA REPRESENTATION THIS LIMITED JUSTIFIABLE STOP ASSUME JRSO
BOARD DELIBERATELY LIMITED REPRESENTATION STOP IF NOT URGE YOU SEEK COMMITTEE
REPRESENTATION STOP PROFOUND IMPORTANCE JUSTIFIES PRESENCE DIGNITARY LIKE PROSKAUER
BLAUSTEIN STOP PLEASE CABLE REPLY

ISENBERG

30 rue La Boetie
American Jewish Committee

338191

March 10, 1950

Mr. Benjamin Ferencz
Jewish Restitution Successor Organization
APO 696-A
New York, New York

Dear Ben:

I went into the State Department today and had a lengthy discussion with Messrs. John Oliver and George Baker of the Office of German Affairs on the subject of your letter of February 17 to me which I transmitted to Baker under date of February 28, 1950.

Baker said that the Department was fully cognizant of the probably meritorious claims of the JRSO. He believed, however, that there were several difficulties in the way of present presentation of any claims against the German Laender in connection with the transfer to the Laender of Reich assets. He said that, in general, the Laender were not expected to take over the obligations of the German Reich since each of the Laender could not be expected to assume responsibility in connection with debts of the overall German Government. He went on to say that it might well be that the West German Government should and would assume some liability with respect to debts and obligations of the former German Reich, but the Department wished to consider that problem as an overall problem and in connection with a variety of matters other than restitution or similar claims. He was unable to say at what particular point there would be a policy determination on the liability of the West German Government vis-a-vis the old German Reich.

I pointed out that the Laender would have a considerable portion of the assets of the German Reich and that it seemed to be the case that certain private claims were being allowed. Baker said that he had not heard of the private situation, and that he would assume that the Laender were paying claims for supplies only when those supplies were still being used by the Laender. (For example, if the Government or one of the Laender was using desks which had been delivered to the old German Government and which had not as yet been paid for.)

I do not know whether the category of claims being allowed - if any are being allowed - is as narrow as this, but I believe that it would be important to determine this fact before pursuing discussions further. At present all that we have is a general claim against the Laender Governments on the basis of obligations of the old German Reich, and the attitude of the State Department seems to

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be quite clear that it will not ask the Laender to assume these obligations, but will postpone the entire question pending an examination of the liabilities of the West German Government.

I should like to have your reactions and comments.

Sincerely yours,

Seymour J. Rubin

cc: Dr. Hevesi
Mr. Eli Rock
Mr. Wolfsohn
Mr. Isenbergh

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JRSO.
20 FEB 1950

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

17 February 1950 BHF/uk

Seymour J. Rubin Esq.
1822 Jefferson Place N. W.
Washington 6, D. C.

Dear Sy,

Thank you for your letter of February 6 dealing with the question of Reich liability.

Military Government Law # 19 which went into effect on 20 April 1949 dealt with "Disposing of Properties in the United States Zone of Occupation and the United States Sector of Berlin having belonged to the former German States, Laender, or Provinces (including the State of Prussia)", (Mil. Gov. Reg. 23 - 619, change 52, 10 May 1949). Former Reich properties were transferred to the Laender as trustees for the German State. Up to 30 June 1949 4,454 units of German State properties valued at approximately DM 3,000 millions were released from US control to the Laender (see Special Report to the Military Governor, July 1949, "Property Control in the US-Occupied Area of Germany 1945 - 1949", p. 27).

Reich assets may not be disposed of without the sanction of the allied representatives (Control Council Proclamation # 2, Section 5, Mil. Gov. Reg. 23 - 102). As I indicated in a letter to Eli Rock the JRSO will have monetary claims against the Reich for the confiscation of heirless bank accounts, jewellery, securities, furniture, etc. which cannot be restituted in natura. What we want to do is to get a share of the vast wealth of Reich assets as settlement for our claims.

Nothing official has come out of the Laender which would admit their liability for Reich debts. I believe that they are receiving bills from German citizens who supplied goods to the Reich before the capitulation and for which payment is now sought. Thus it may be that one who delivered supplies to the Wehrmacht will be compensated at least in part. Furthermore the entire Equalization of Burdens Law may be construed as an assumption of liability by the Laender for damages caused at least indirectly by the Reich. In this adjustment of rights and liabilities the interests of persecutees seem to have been ignored despite the fact that I can in one minute produce a

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Unrefutable proof that over 7 billion marks worth of Jewish property was confiscated in Germany and no more than 1 billion at most will be returned under the existing laws.

It is a very interesting problem and I hope you will find time to find out and let us know what is being thought about it in Washington.

With best regards,

BENJAMIN B. FERENCZ

cc: Eli Rock
Isenberg

338195

YIVO RG 347.7
American Jewish Committee
(Frng Affrs Dept. 41-46)
Box 66 File 3

February 6, 1950

Mr. Benjamin H. Ferencz
Jewish Restitution Successor Organization
APO 696-A
New York, New York

Dear Ben:

I have a copy of your letter of January 31, 1950 addressed to Eli Rock. I had understood your previous inquiries to be directed to the possibility of recovery against Reich assets in the United States. On this possibility I am highly pessimistic, for reasons I have explained.

As to Reich assets in Germany, I agree that the JRSO should assert a claim equal to that of other creditors. I don't know what treatment such claims will receive, but I will undertake to discuss the matter informally with Jacques Reinstein in State and see what can be done at least to safeguard the JRSO interest.

I'd be interested in any information you might give me re the lists of liabilities which you say the Laender are compiling, as well as the Reich assets which they hold.

Sincerely yours,

Seymour J. Rubin

cc: Mr. Hevesi
Mr. Rock
Mr. Isenbergh

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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