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JEWISH RESTITUTION SUCCESSOR ORGANIZATION
270 Madison Avenue
New York 16, N.Y.

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JEROME S. ...

October 5, 1955

MEMORANDUM

To: JRSO Executive Committee

From: Saul Kagan

RE: JRSO Claims under Public Law 626

I am enclosing herewith a report on the background and present status of the claims filed by the JRSO under P.L. 626. This report was prepared by Mr. Seymour J. Rubin, who acts as Washington counsel of the JRSO.

Saul Kagan

Report to Executive Committee of Jewish Restitution Successor Organization

Re: Heirless Assets in the United States

Public Law 626 was passed in the closing days of the Second Session of the 83rd Congress. It culminated years of effort on the part of various Jewish organizations -- effort directed at enactment of legislation which would put heirless assets in the United States at the disposal of the Jewish Restitution Successor Organization, for the benefit of surviving persecutees. Although the law was enacted in July 1954, and signed by the President in August, the passage of the legislation itself was merely the first step in what is clearly to be the difficult program of obtaining these assets or their proceeds, and making them available for the intended relief purposes.

The bill -- now Section 32 (h) of the Trading With the Enemy Act, as amended -- provides for designation by the President of a successor organization, or organizations, to heirless or unclaimed property in the United States. This property is defined by reference to the persecutee-return provisions of the Trading With the Enemy Act -- that is, it is property which would be returned to a living persecutee or his heirs, were he alive or had he heirs to claim it. The designated successor organization has a number of obligations in regard to administration and use of the property or funds which it may receive -- accounting regularly, the obligation to return to persecutees who turn up within two years, etc. The 1954 series of amendments restrict use of the property to use for persecutees (a) in the United States and (b) who are needy, and they prohibit use of any of these funds for administrative expenses. The bill provides for a limitation of \$3 million to the amount which can be made available to a successor organization.

Immediately after enactment of the legislation, steps were taken directed at the Presidential designation of the JRSO as the successor organization under the bill. Theoretically, Public Law 626 allowed the possibility of designation of more than one successor organization. As a practical matter, however, there was never any interest in this matter of successorship to heirless assets on the part of organizations other than Jewish organizations. An application for designation as the appropriate successor organization to Jewish heirless assets (these being apparently all the heirless assets) was prepared, together with a variety of supporting documents ranging from the certificate of incorporation of the JRSO to a memorandum on the history and responsibilities of that organization. These documents were filed almost immediately upon enactment of the legislation and, in fact, were discussed with governmental officials before the legislation was actually signed by the President. Nevertheless, for a variety of reasons, designation of the JRSO was delayed until January 1955. At that time, an Executive Order was issued by the President designating the JRSO as an appropriate successor organization, and no other designations have been or are likely to be made.

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Even prior to designation of the JRSO, Messrs. Kagan and Rubin had had extensive discussions with the Office of Alien Property of the Department of Justice as to procedures for the filing of claims. In the very nature of the case, the JRSO cannot have adequate knowledge of the claims which may legitimately be filed. This is obviously because the persons who would have had knowledge have all disappeared. The JRSO is therefore faced with the necessity of devising procedures which would enable it to file at least tentative claims which could subsequently be investigated and substantiated.

The JRSO suggested a procedure to the OAP which involved the OAP compiling a list of all those vesting orders on its books as to which no claim for return had been made. Such a list would obviously include not only the names of persecutees whose assets were heirless but also the names of Germans or other enemy nationals who were in no sense persecutees. It was then proposed by the JRSO that it would go over these lists and try to identify those cases which were likely to represent heirless assets rather than enemy assets.

The OAP, however, rejected this procedure on the ground that it would place an undue administrative burden on that Office. The alternative procedure was thereupon worked out, under which the OAP turned over to the JRSO extensive lists of names. These names included all of those persons named in the vesting orders of the OAP. Although it was at first assumed by the OAP itself that these lists included only persons from whom property had been vested, it became evident upon examination that names of persons included in the vesting orders, such as custodians of property, were also included on the lists. The JRSO undertook to prepare lists of those persons who were apparently Jewish. These lists, which have been gone over a total of three times, were then submitted to the OAP, which, in turn, indicated on a copy of the lists those cases in which there was no conflicting claim for return of the property involved. The remaining names were taken to be prima facie cases of Jewish heirless property.

Although the above procedure was that generally followed, towards the end of the filing period it became impossible to submit the lists to the OAP for check, and claims were therefore filed without the preliminary OAP check to see if adverse title claims existed. As a result, the JRSO found it necessary to come to a general arrangement with the OAP, under which it agreed that in those cases in which the OAP made an adjudication of return to an individual, the JRSO claim could be considered automatically to be withdrawn. In these cases, the JRSO obviously has no claim, since there is a surviving claimant.

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A variety of other problems arose during the period between January 1955, when the JRSO was designated by the President, and August 1955, the expiration of the one-year filing period contained in the statute. A considerable amount of consultation with the OAP on detailed matters of record was obviously necessary. The work in Washington rose to such a volume that it became apparent that a full-time representative of the JRSO there was required, and Mr. Werner M. Loewenthal, who had just completed an assignment as Restitution Officer with the Office of the United States High Commissioner in Germany, was appointed to this position on June 20, 1955. He has worked in close coordination with the undersigned, who has acted during the period as Washington counsel for the JRSO. Mr. Loewenthal has had a staff of from two to three clerk-typists working with him.

The volume of work in the Washington office is apparent from the fact that between July 1 and August 23, the filing deadline under Public Law 626, the Washington office filed 3,094 out of a total of over 8,000 JRSO claims which had been filed.

A great many of the claims filed by the Washington office arose in cases involving estates and trusts. In many of these situations, the check of the OAP lists had produced claims filed by the JRSO in the name of one or another of the persons named in the vesting order, but not in the name of the person who was the actual beneficiary of the estate or trust. It was necessary to file in the name of the latter person, and claims in this category formed a major portion of the claims filed directly by the Washington JRSO office.

During this period also, one of the many problems concerned the so-called "omnibus accounts" in the OAP. These are accounts in the United States, held in the names of Swiss, Dutch or French banks, where the names of the actual depositors in the accounts are not known. It is possible that a major part of these accounts represents the funds of persons who were enemy nationals. On the other hand, there exists a substantial possibility that some portion of these accounts may be the funds of persecutees who were seeking to avoid the foreign exchange restrictions of Germany. A letter describing this situation, and suggesting that JRSO be considered informally to have claimed such portion of these accounts as might be found later to belong to persecutees, was sent to the OAP, but the request was rejected.

Thereupon, some 325 vesting orders in this category were located by the Washington JRSO office and claims filed describing these orders in terms which make it possible to identify the property in some detail.

Another problem arose out of negotiations between the United States and the Netherlands with respect to return of so-called scheduled securities. These were securities held in the United States which presumptively had been

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looted. By agreement between the governments, these securities were to be returned to the Netherlands Government for distribution to the true original owners or their heirs. It is clear, however, that some portion of this property is heirless, and, in cooperation with the Department of State, the JRSO has filed a claim with respect to that portion of these securities identified by the Netherlands Government as heirless. This claim is in a sense protective, since it is possible that these securities will eventually go to the Jewish community of the Netherlands rather than to the JRSO.

Individual cases are on occasion of some particular interest. Such a one is that which involves a highly complicated proceeding in the OAP generally known as the von Clemm case. It has been suggested that a portion of the property involved in this case, several packets of diamonds, amounting to sums estimated to be more than \$200,000, may in fact be heirless Jewish property. These diamonds were brought into the United States in asserted violation of customs regulations and, aside from the problems involved in proving the heirless character of the property in a situation in which few or no facts are available to the JRSO, there is also the problem of the claim of the Customs Bureau that if the diamonds are not German property to be vested by the OAP, they are diamonds which were entered into the United States illegally and should therefore be forfeited to the Customs Bureau. Despite a considerable amount of work which has already been done on this case, much more detailed work remains to be done if a serious effort is to be made to obtain this property.

By August 23, 1955, something in excess of 8,000 claims of varying degrees of validity had been filed with the OAP.

Although considerable work on the problems to be described in this section has already been done, it seems appropriate to deal with these problems in this rather than the previous section of the report.

The JRSO problems, once the mass of claims has been filed, resolve themselves into two major categories. These concern the procedure for "cleaning up" the relatively undigested mass of claims which has been filed and putting these in some kind of workable shape; and secondly, working out a procedure for the processing of the claims and the recovery, as speedily as possible, of the proceeds of heirless property.

With respect to the first problem, that is cleaning up the claims, a considerable amount of work obviously has to be done and, in fact, is currently being done. Because of the method by which the claims were filed, the JRSO has on file a great many of what are obviously worthless claims which merely clutter up the records. The reason for this is inherent in the method which the JRSO was compelled to adopt in filing the claims and the materials made available to it for that purpose. As has been pointed out, for example, the list of names furnished by the OAP, which was the fundamental working document for the JRSO, contained names of custodians of property and of persons having some relation to that property,

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even though they might not be the beneficial owners of that property. Thus, if property were held by one Israel Cohen, for the benefit of Joseph McCarthy, it is almost certain that a claim has been filed by the JRSO as successor to Israel Cohen, even though no property right of Cohen has in fact been vested. Such a claim should obviously be withdrawn.

Similarly, the JRSO succeeds to the rights only of those persons who are persecutees under Section 32 of the Trading With the Enemy Act and who would, if alive, themselves be eligible for return. Corporations are specifically excluded from such eligibility. Despite this, the JRSO has on file numerous corporate claims containing possibly Jewish names, and these will also have to be withdrawn.

For various reasons, it is important that this work be done expeditiously. In the first place, we have been able to work out with the OAP a short-form "notice of claim", upon which all of the JRSO claims have been filed and which is a rather unusual document in OAP history. Despite some difficulties, we have had a considerable amount of cooperation in this regard and with regard to the special docketing of JRSO claims, etc., from the OAP. This cooperation, and particularly the cooperation extended with respect to the filing of claims merely on the basis of information and belief implies the obligation to withdraw those claims which are clearly not well founded. Moreover, the withdrawal of such claims will give the JRSO -- and the OAP -- a more clear idea of how many claims, and in what amount, are actually involved.

Secondly, the JRSO is faced with the alternatives of processing the individual claims or of attempting to obtain a bulk settlement. It needs little demonstration to show that processing of even 2,000 or 3,000 claims would be an interminable and most difficult job. Addresses would have to be obtained out of the records of the OAP, which in many cases does not have such addresses. Work would have to be done in Germany to try to establish the persecutee status of the person involved. Evidence would have to be presented to the OAP, and in many cases a hearing would have to be held. All of this would be done at a time when it is quite likely that the OAP will be burdened by a large number of claims for return filed by non-persecutee German nationals, if the Administration proposal for returns of up to \$10,000 is adopted.

It has therefore seemed imperative that the JRSO look toward a bulk settlement rather than the individual processing of these thousands of claims. The OAP, however, has taken and does take the position that a bulk settlement is impossible under present legislation. It therefore becomes imperative to obtain a modification of the present legislation. Any such modification, it is believed, should not merely authorize a bulk settlement, but should facilitate the making of such a settlement.

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With these ends in view, Mr. Loewenthal and the writer have had numerous conferences with the OAP. Procedures have now been worked out under which the following steps will be taken:

(a) The clearly untenable claims of the JRSO will be withdrawn.

(b) A list will be compiled of all remaining claims of the JRSO.

(c) A supplementary list will be prepared of JRSO claims in cases in which there is an adverse title claim.

(d) The OAP will furnish figures as to the total amounts involved in categories (b) and (c) above.

In addition, the OAP has reserved the question of whether we will be able to get figures on the amounts involved in individual claims from the Office of the Comptroller. (In many cases, this information is contained on the JRSO docket which is being made available to us and which will, of course, be incorporated into our records.)

When the above information has been obtained, we propose to check a representative sample of the claims where sufficient information is available to make checking possible. (It has also been requested that the OAP furnish us with information as to names, addresses, etc.; again, a considerable amount of such information is available from the JRSO docket which has been opened up to us.) From this examination, we should be able to estimate how many of our claims are actually for heirless property. Applying that percentage to the total figures which we will previously have received, we should be able to come to some kind of reasonable estimate of the amounts which are involved in the JRSO claims, and which should therefore be the target figure for a bulk settlement.

Much of the above work is already in progress. In addition, the writer has had conferences with Mr. Harlan Wood, Chief Counsel of the Senate Judiciary Subcommittee on the Trading With the Enemy Act, and with Mr. Smithy of the Senate Legislative Counsel's Office. An amendment to S. 2227, the Administration bill dealing with partial return of enemy private assets, has been prepared and has been discussed with these gentlemen. Its principle -- that is the principle of a bulk settlement of JRSO claims -- seems to have met with their approval. Moreover, the OAP has apparently slowly come to the conclusion that a bulk settlement of these claims would be desirable. It may be added that the State Department has indicated its concurrence with the principle of a bulk settlement and will probably be willing to press the OAP on this point.

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Assuming that the principle of a bulk settlement will be accepted and that it can be enacted at the next session of the Congress, in one form or another, the main question will be that of the amount of such a settlement. It is too early to tell what amount will be involved. Our efforts are presently directed towards establishing a sufficient body of data for estimates in support of a minimal bulk settlement figure, which we would like to introduce in the course of the efforts to obtain legislation authorizing a bulk settlement.

The further program therefore includes continued work on the processing of the claims, as above described, and continued work with respect to the legislative proposals and their acceptance both by the Administration and by the Congress. The problems dealt with up to now have been of great complexity and have taken an enormous amount of time. It is very likely that they will take even more time in the future, particularly if such matters as the von Clemm case should come to a head and if the proposals with respect to a bulk settlement should arrive at a point where intensive work will have to be done on both the estimates and the legislative aspects of the matter.

Seymour J. Rubin

September 1955

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TRANSLATION

Senate Decision #692/55
of June 23, 1955

Concerning the purchase price for the restitution claims and real estate offered for sale to Land Berlin by the Jewish Restitution Successor Organization

The Senate Decision:

a) The Senate is ready to acquire, for a total price of a maximum of DM 13.5 million from the JRSO, JTC, and FB (successor organizations) in Western Berlin:

1. Restitution claims for real estate and parts of real estate, including that belonging to the former Jewish communities of Berlin prior to their integration into the Reichsvereinigung of German Jews, mortgages, as well businesses and parts thereof.
2. Real estate recovered by the successor organizations through restitution proceeds, or parts thereof, including real estate belonging to the former Jewish communities of Berlin prior to their integration into the Reichsvereinigung of German Jews;

Under the following conditions:

- a) The purchase price shall be calculated on the basis of assets as of April 1, 1955. If the status of these assets since April 1, 1955 should have been changed through a reduction of restitution claims by withdrawal of the claims, or cession of the claims, or conclusion of the settlement or restitution decrees, an appropriate reduction of the purchase price is to be considered on the basis of the change in value.
- b) Out of the purchase price DM 1 million shall be due to the Jewish Community in Berlin, regardless of the contractual agreements between the successor organizations and the Jewish Community in Berlin -- in order to enable the latter, in consideration of its special situation in Berlin, to fulfill its obligations towards its members in Berlin.

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- c) The balance of the purchase price, in accordance with the proposal of the JRSO is payable to industrial enterprises in Berlin (West) to be designated by the Israel Mission, for purchase orders of the state of Israel to these enterprises.
- b) A bill to this effect is to be submitted to Parliament for decision before adjournment for vacation.
- c) The decision is to be implemented by the Senator for finances prior to the vacation recess of Parliament.

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Jewish Restitution Successor Organization

270 Madison Avenue
New York 16, N. Y.

July 12, 1955

MEMORANDUM

TO: JRSO Executive Committee
FROM: Saul Kagan
RE: Berlin Bulk Settlement

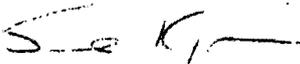
You will recall the discussion at the meeting of the Executive Committee of May 23 concerning the negotiations for a Berlin Bulk Settlement. At that time the Berlin Senate had come forward with an offer of DM 13 million. You will further recall that the operating agents had been given authority to continue the negotiations towards the best possible settlement.

After considerable further negotiations, the Berlin Senate has increased the offer to DM 13 1/2 million, subject to certain conditions and accountings. It is a condition of the offer that DM 1 million of the settlement be paid to the Berlin Jewish Community. I am enclosing herewith a copy of the Berlin decision.

The successor organization representatives in Germany reluctantly recommended an acceptance of this proposal, as the best obtainable after 3 years of difficult negotiations with various Berlin administrations, in the absence of any real good will on the part of Berlin authorities. The operating agents shared the feeling that this was realistically the best the successor organizations could hope for under the circumstances, and have authorized the representatives in Germany to convey to the city of Berlin the acceptance of this offer.

The successor organizations will surrender to the city all outstanding claims for real estate, mortgages and businesses, including former communal property, as well as all real estate on hand, except real estate formerly owned by Jewish organizations other than the Gemeinde. The effective date of the agreement is April 1, 1955, and any changes in the status of the assets since that date is subject to accounting.

I shall advise you as soon as the settlement is actually concluded.


Saul Kagan

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HEADQUARTERS
JEWISH RESTITUTION SUCCESSOR ORGANIZATION
FRIEDRICHSTRASSE 29 · FRANKFURT/MAIN

JUL 8 1955

PHONE: FRANKFURT 70831
CABLE: RESTITUTION FRANKFURT

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A. P. O. 757
U. S. ARMY

3rd July 1955

Mr. Saul Kagan
JRSO - New York

Letter #2218
1570-Bln/1600-7030

GEN. S. WEISS, GERMANY
Reich

Dear Saul:

On the morning of Friday, July 1st, I had a meeting with Herr Galinski in Berlin. I was joined by Dr. Weis and the purpose of the visit was to ascertain from him his reaction to the Berlin proposal which we anticipated, according to which 1 million DM was to go to the Gemeinde from a total maximum of 13.5 million DM to the successor organizations. I asked Galinski whether he knew anything at all about the terms of the Berlin offer which we expected to receive later in the day. Galinski professed complete ignorance on the subject, even after I told him what we expected to receive. I told Galinski that if the Berlin Senate were to offer us 1 million DM for Gemeinde property then his share would be only 40% as far as the JRSO portion was concerned and something less than that as far as the JTC was concerned. Galinski insisted that he had an agreement with the JTC according to which he was also to receive 40% from them. This I doubted but I refused to engage in any debate on the subject. He furthermore stated that the Berlin Gemeinde had a right to receive at least 1 million DM from the former Gemeinde property. This he justified by showing that before the contracts were signed we had estimated that the total value of all former Gemeinde property was in the neighborhood of 4 million DM, so that even on a 40% basis he would have been entitled to more than a million DM. It seemed to me that his anticipation for at least 1 million DM out of the total of former Gemeinde property was not without some justification. I told him that I would check back in order to determine what was the basis for our 4 million estimate and would be in touch with him again.

On re-checking it appeared that our estimate had been based upon a list of all of the Gemeinde properties. Some of them had been sold in the meantime, some of them had been restituted to us and we still have them on hand, whereas claims were pending concerning certain others. If Galinski were to get as much as 40% of the total it would mean 40% of the amount received for the items already sold and 40% of the amount which the City would give us for the properties on hand, and the claims still outstanding for Gemeinde properties. We know that we have already recovered approximately 800,000 DM for former Gemeinde properties. We know that the City is offering 1 million DM for the properties on hand and the claims still outstanding for Gemeinde properties, so that the total received on all three categories would be about 1.8 million DM. If Galinski receives 40% of this it would still be short of the 1 million which he anticipated. It appears now that our appraisals of the value of Gemeinde property were too high, particularly if we have to sell those properties on hand and the outstanding claims for as little as 1 million DM. There is no provision in our contracts which guarantees him a fixed sum, but I think it is only fair to note that the anticipation of at least 1 million was not without foundation.

During our bulk settlement negotiations later in the day with the Berlin authorities we were told that, despite our evaluations for former Gemeinde property, they were only prepared to give us 1 million DM for all of the property on hand as well as all of the pending claims for Gemeinde property. They expected us to give 100% of this amount to the Berlin Gemeinde. The Finanzsenator assumed that this would discharge our 40% obligation whereas Schweig and Dr. Bohlmann were firmly convinced that Galinski had been promised 1 million DM in addition to the 40%. They told us that this conviction was based upon meetings between Galinski and the Berlin authorities. They reported that sometime during May there had been a meeting attended by Senator of the Interior Dr. Lipschitz, Dr. Weltlinger, Herr

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In the course of that meeting Galinski had sought to obtain additional subsidies for the maintenance of the Jewish Hospital. They had agreed to give him a last subsidy of 200,000 DM and had negotiated concerning the 1 million DM which he would obtain from the bulk settlement. As a consequence of that negotiation on 21 June the Senate passed a resolution to the effect that the 1 million should be payable directly to the Gemeinde without regard to the contracts concluded with the successor organizations. They stated that Galinski had been fully informed about this Senate resolution. It was clear, therefore, that Galinski's statement made during the morning that he knew nothing at all about it was not consistent with the truth.

I asked the Berliners whether they would be prepared to pay us 12½ million DM and exclude completely from these negotiations the Gemeinde properties so that subsequent negotiations could follow concerning this particular item. This they refused to do, saying that the Senate placed great political value on the Gemeinde interest and that a separation would be impossible. I told the Berlin authorities that the Jewish organizations had done more, and would continue to do more for the Jewish community in Berlin than had ever been done by the Germans and that we would have to adjust the matter internally with Mr. Galinski.

I think we should not, and cannot battle this matter out with the German officials. Although it is fairly clear that Galinski has been conspiring with them in an attempt to obtain from the successor organizations more than they have contracted for, nevertheless I don't think we should make this a breaking point with the Germans, although it may be a breaking point with Galinski. I feel that the only stand we can take is that Galinski and the Berlin Gemeinde are bound by the agreements they have reached with the successor organizations. Anything which the Gemeinde may receive by way of compensation from the City Government will have to be accounted for internally in line with our own agreements. Thus, if he receives 1 million DM as payment for 100% of the Gemeinde property we are entitled to at least 60% of that which he must promptly reimburse to us. The only way we can enforce fidelity on his part is via the Claims Conference allocations and by holding up the entire agreement with the other Gemeinden. I would not hesitate to point out to the Zentralrat, Zentralwohlfahrtsstelle and the other Gemeinden that we cannot enter into an agreement with them until we are sure that such agreements are worth more than the paper they are written on. We cannot accept Galinski as a signatory to an agreement when we have clear evidence that he does not hesitate to use deceit and treachery as instruments for the destruction of such agreements.

I realize that this will take further negotiations with the Berlin Gemeinde and perhaps with the other Gemeinden as well before we can clarify the situation. The best man in my opinion to handle such negotiations would be Dr. Goldmann. It will be necessary to take a clear and firm stand but I am not without hope that if such a stand is taken an agreement can eventually be reached. We are re-checking the facts and the figures involved so that they will be available at the time they may be required. In the meanwhile I would welcome the views of the interested parties.

Cordially yours,

BENJAMIN B. FERENCZ

cc: Kapralik
Lachs
Meyrowitz
Rosenthal
Jacobson
Goldmann
Weis
Rice

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HEADQUARTERS
JEWISH RESTITUTION SUCCESSOR ORGANIZATION
APO 757 U.S. ARMY
FRANKFURT MAIN GRÖNEBURG WEG 119

[Handwritten initials and signatures]

CONFIDENTIAL

JUN 20 1955

June 16, 1955
Dr. Ka/gf

Mr. Jerome J. Jacobson
General Counsel
American Joint Distribution Committee
119, Rue St. Dominique
Paris VII

GEN. & MARSH. GERMANY

[Handwritten signature]

Re: Your notes and comments on the draft agreements reached with Dr. van Dam.

Dear Mr. Jacobson:

Thank you very much for your notes and comments of June 11, 1955, on the draft agreements reached with Dr. van Dam which I have read with great interest.

At the moment I would like to limit my observations to two points only:

a) At (11) of your notes you deal with the non-accountability of indemnification payments received by communities from the Laender prior to 1 January 1955. With reference to my Memo of 20 January 1955 you say:

"..... there does not seem to be any great concession here since the Gemeinden are shown as receiving just under 1.4 million DMarks from the Laender (500.000 DM to Bremen; 700.000 DM to Frankfurt; 42.313 DM to Heidelberg; 57.000 DM to Karlsruhe; 100.000 DM to Nauheim) and while these are the known grants it seems that if other sizeable grants were made the information would have gotten about."

May I just point out that I had made the following cautious addition to the above figures which you have cited from my Memo:

"..... and all other payments to communities out of indemnification money of which we have no knowledge." (page 3 of my Memo of Jan. 20, 1955)

On 10 May 1955 I have requested the respective Ministries of Finance and the Indemnification Offices in Bavaria and Hesse for detailed information as to such advance payments to other recipients than the JRSO. I do not have all details yet, but when I saw Ministerialrat Dr. Hebeda in the Bavarian Ministry of Finance on 7 June 1955, he told me off-hand that the Bavarian Ministry of Finance had made to the Israelitische Landesverband der Bayerischen Kultusgemeinden in Munich the following advance indemnification payments:

1950	DM 250.000,-
1951	DM 402.000,-
1952	DM 340.000,-
1953	DM 325.000,-

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Dr. Hebeda promised me to supply me with a written information including also the years prior to 1950.

It was the first time that I heard about these advance payments in Bavaria and I am afraid that your assumption "if other sizeable grants were made the information would have gotten about" can unfortunately not be sustained.

It may very well be that substantial payments have been made to:

- 1) the Bavarian Landesverband during the years preceding 1950;
- 2) Jewish communities in Bavaria (besides the above payments to the Landesverband).

b) At (14) of your notes you deal with the question of maintenance of closed cemeteries.

It will interest you that on 15 June 1955 we had another meeting with representatives of the Ministries of the Interior and Finance in Bonn.

The Constitutional Department of the Ministry of the Interior maintains - against our argumentation as outlined in my attached letter of 13 June 1955 - that it is not within their competence to legislate on this matter. They, therefore, intend, now to propose to the Cabinet to settle the question of the perpetual care of cemeteries on the line of the treaty obligations assumed by Germany in cases which you were good enough to draw my attention to (perpetual care of the graves of Soviet soldiers in Germany, or of Allied or United Nations' nationals, or of displaced persons and others in addition to Allied troops).

With kindest personal regards,

cordially yours,

E. Katzenstein

Encl.: a/s

- cc: Mr. M.W. Beckelman
- Mr. B.B. Ferencz
- Mr. Ch.H.Jordan
- Mr. G. Josephthal
- Mr. S. Kagan
- Mr. C. Kapralik
- Dr. M. Kreutzberger
- Mr. E. Laor
- Dr. R. Lachs
- Mr. M.A. Leavitt
- Dr. H. Meyrowitz
- Mr. J.P. Rice
- Dr. M. Rosenthal
- Dr. G. Weis

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

May 17, 1955

MEMORANDUM

To: Mr. Maurice M. Boukstein
Dr. Israel Goldstein
Mr. Monroe Goldwater
Mr. Moses A. Leavitt

From: Saul Kagan

This will confirm that a meeting with Dr. Suhr has been arranged for Friday, May 20, 1955 at 9:00 a.m. in Dr. Suhr's suite at the Waldorf Astoria.

According to our understanding, the delegation will meet at 8:45 a.m. in the lobby of the Waldorf. (Park Avenue Entrance)

I am enclosing herewith a background statement for the meeting with Dr. Suhr.


Saul Kagan

SK:AH:djh

MEMBER ORGANIZATIONS

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 • 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 U. S. ZONE OF GERMANY • ANGLO-JEWISH ASSOCIATION

OPERATING AGENTS

JEWISH AGENCY FOR PALESTINE • AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. • JEWISH CULTURAL RECONSTRUCTION, INC.

338221

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

May 17, 1955

Background Memorandum for Discussion with
Lord Mayor of Berlin, Dr. Suhr

Attached is copy of a letter received from Mr. Forencez, concerning recent developments in the bulk settlement negotiations with the city of Berlin.

Since the receipt of this letter, there has been a telephone conversation with Mr. Forencez, who had had the opportunity to meet Dr. Suhr before the latter's departure for the United States. Dr. Suhr had indicated that the report of the Berlin Commission which is dealt with in the attached letter from Mr. Forencez, had been only an internal report and that he did not find the report an acceptable basis for a settlement. Dr. Suhr stated that he had requested authority from the Berlin Senate to work out a settlement on the basis of the understanding which prevailed before the preparation of this report.

As a result of the discussion with Mr. Forencez as well as a conversation between Dr. Goldmann and Dr. Suhr, it is felt that the basic approach of the successor organizations should be to press for a settlement on the basis of DM 20 million less the value of assets recovered since the submission of the inventory last year.

We have just received another cable from Mr. Forencez dated today, in which he states that Berlin now offers 13 million excluding securities and organizational property but including realty and communal property. It is expected that Mr. Forencez's recommendations in this regard will be received before the meeting with Dr. Suhr.

Saul Kagan

SK:AH:djh

MEMBER ORGANIZATIONS

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 • 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 U. S. ZONE OF GERMANY • ANGLO-JEWISH ASSOCIATION

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OPERATING AGENTS

JEWISH AGENCY FOR PALESTINE • AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. • JEWISH CULTURAL RECONSTRUCTION, INC.

JEWISH RESTITUTION SUCCESSOR ORGANIZATION
Friedrichstrasse 29 - Frankfurt/Main

11th May 1955

Mr. Saul Kagan
JRSO - New York

JRSO Letter #2177
1570-Bln.

Dear Saul:

By this time you will have received various cables informing you about the turn of events in Berlin. Dr. Weis' letter of 9 May with the enclosed report of the Commission to the Buergermeister contains the complete picture. Since it may be somewhat involved let me extract the pertinent points and try to present a concise picture of the situation.

Last September Dr. Goldmann, Dr. Shinnar, Dr. Haas and I agreed upon a settlement figure of 20 million DM or 25 million if the Bund agreed to reimburse Berlin for claims for furniture and jewelry for which both Berlin and the Bund were jointly liable. If they paid 25 million we agreed to give them also our real estate on hand.

The Finance Senator led us to believe that the agreement would be quickly concluded. By a series of manoeuvres and evasions he avoided bringing the matter to a conclusion. When Dr. Goldmann, Dr. Weis and I met with the new Buergermeister Dr. Suhr, and Dr. Haas, in Berlin on 29 March we were confronted with a Senate resolution which had been sponsored by the Finance Senator, according to which the Commission which had previously appraised the value of our claims was to be reinstated and was to arrive at a new determination. We objected to this and the Buergermeister, who was completely outmanoeuvred by the Finance Senator, agreed with us that the Commission was merely to determine the amount which the JRSO had recovered since either the time of the 20 million agreement or the time when the lists were prepared which served as the basis for that agreement. Suhr explicitly promised to have the matter before the Senate for ratification by 30 April.

During April the Commission met again and started a complete examination of our files. As before they strained their imaginations to find every possible obstruction and to make deductions on every conceivable and inconceivable theory.

Yesterday Dr. Weis received a copy of their 20-page report to the Buergermeister. The conclusion in their report was that our remaining restitution claims for real estate and mortgages was worth 4.4 million DM. To this they added 1.3 million for the real estate on hand, and 1 million for the real estate formerly owned by the Gemeinde and other Jewish organizations and which had previously been excluded from our discussions. It meant, therefore, that they were now offering 6.7 million DM for the same items for which they had previously agreed to pay 20 million DM, even if we gave them the benefit of the doubt and included the real estate on hand, which had not been clearly decided. They would also have had a good bargaining point to reduce the

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20 million figure by at least the amount we had recovered since the time of the agreement of September, which was about 2 million DM. If they subtracted all the amounts we had recovered since 1 April 1954 the deduction would amount to about 6 million DM. On the interpretation most favorable to them, therefore, and giving them the benefit of all the arguments made in their favor they could at best have come to a figure of about 14 million DM instead of the 6.7 million in the Commission report.

During our last meeting we had told the Finance Senator that we could see through the Senate resolution and if the Commission followed those instructions they would come up with an offer which would be totally unacceptable since it would lead to an offer of 7 or 8 million DM. Haas said that certainly they wouldn't offer less than 10, and that the figure would be somewhere between 10 and 20. In order to camouflage the 6.7 proposal he and the Commission have devised a scheme designed to confuse the Buergermeister and the Senate. They have included claims against the Reich which we had, at their specific request, removed from the negotiations a long time ago. The items they have sought to include are securities which were confiscated from Jews and which are now located in Berlin. Although it is clear that these securities were Jewish in origin and that practically none of them can ever be claimed by the former owners, a number of legal and technical objections can be raised to block restitution. The Bund raised these objections but was prepared to settle on a reasonable basis. I wrote about this in greater detail in my letter #2147 of 25 March. I then estimated the value of the securities at about 6 million DM and according to the proposal we would get 4 million, and the balance would go to a special Jewish fund. The more recent estimates indicate that the value of these securities is around 9 million DM. The Berlin Commission which has now intervened in an attempt to have us assign these securities proposes to offer 5.5 million to the JRSO for its rights. The Commission would thereby bring the total offer up to 12 million DM.

I have been trying unsuccessfully all day to reach the Buergermeister in order to see him before he departs for the States on May 15. Dr. Weis has written to him pointing out some of the objections to the Commission's recommendations. It appears at this moment that I will probably not be able to see Suhr before he leaves, and I don't know whether or not he will be able to meet with Goldmann on the morning of the 17th. Should such a meeting be possible the facts stated above should serve as the basis for briefing Goldmann on what is going on. If the meeting with Goldmann should not be possible we should have an appropriate reception committee for the Buergermeister. Every time he turns around in New York or elsewhere in the United States he should be reminded of the impression the City of Berlin has made.

At the moment it looks like the end of the bulk settlement, so that after 2½ years of intensive negotiations and firm promises by three Buergermeisters we are, in a thinly disguised form, being told to accept a crumb for our bother or go to hell.

I will cable you on any new developments.

Sincerely yours,

338224

BENJAMIN B. FERENCZ

AMERICAN JOINT DISTRIBUTION COMMITTEE

HEADQUARTERS FOR OVERSEAS OPERATIONS

CABLES & TELEGRAMS
JOINTFUND - PARIS119, RUE SAINT-DOMINIQUE
PARIS (VII*)TELEPHONE { 87-83
INVALIDES { 87-55
79-87

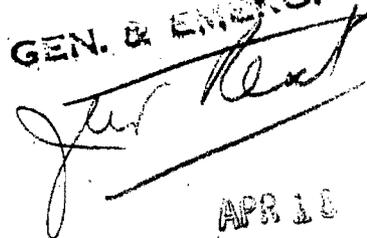
14 April 1955

AJDC Paris letter # 118

To: Mr. M. A. Leavitt - AJJDC New York

From: Jerome J. Jacobson - AJDC Paris

GEN. & EMERG.


 31951
 APR 18

Dear Moe:

In respect of your inquiry about the status of the Ferencz - Lachs negotiations for distribution of the Reich Claims Settlement, I cabled you today as follows:

"Further your query Kapralik informs that Sir Henry disagrees deferral JRSO accounting for DM15,000,000 JRSO received in land settlements. stop letter en route. Regards."

I was unable to reach Kapralik earlier and in any event thought it best to raise this question only incidentally because I have indicated to Kapralik right along that there is no alternative but that Ferencz's position is correct, and I haven't wanted Kapralik to get the notion that we are over anxious about this matter.

His position is that Sir Henry and others, including himself, do not agree that the DM 15,000,000 which JRSO received in the past in settlements with Laender of the American Zone, and which the Bonn government has to reimburse to the lender, should be excluded from accountability and distribution in respect to of this settlement.

I understood from Kapralik that Sir Henry wants Ferencz to indicate to him why the 15,000,000 should not figure in the settlement agreement now. So far as I gather in my talk with Kapralik, there is no other problem for Sir Henry in the negotiations that took place between Ferencz and Lachs, so that the Berlin indemnification settlement, the other features of the Reich Claims distribution, and the proposed Berlin global settlement distribution are acceptable.

I assume from your cable that you are thinking about the necessity of coming over with Josephthal in order to sort out matters with JTC and particularly with Sir Henry and Oscar Joseph. I feel as the situation is presently developing that it might be better for the present to let Ferencz see Sir Henry in accordance with Sir Henry's request, in order to settle the one outstanding problem. Should an impasse develop there, it would then probably be better to meet in London in the early summer.

AMERICAN JOINT DISTRIBUTION COMMITTEE

HEADQUARTERS FOR OVERSEAS OPERATIONS

CABLES & TELEGRAMS
JOINTFUND - PARIS119, RUE SAINT-DOMINIQUE
PARIS (VII^e)TELEPHONE { 87-83
INVALIDES { 87-55
79-87

To: Mr. M. A. Leavitt

-2-

14 April 1955

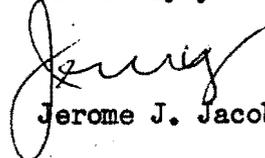
So far as the JTC meeting of May 10th is concerned, it is not yet certain that this meeting will take place. The resignation of Churchill may bring about a general election which is rumoured for May 26th, and if that occurs, Sir Henry will be busy campaigning and possibly will not be able to preside at the meeting of May 10th. I have advised him and Kapralik that if for any reason he cannot participate and preside, that I would prefer putting off the meeting until after the elections, so that he would be in a position to preside.

I do not want to encounter any slip-up on the distribution agreement for the next five million that I agreed on with Sir Henry and Joseph recently in London, and I feel it important to have Sir Henry present to insure that that agreement is carried in the JTC.

Further, in my follow up talk with Kapralik for implementing this agreement with Sir Henry, I made clear that in the event they consider it expedient to yield to pressures from the Council of Jews from Germany for an increase of their eight-and-one-third per cent, that any such increase would have to be borne proportionately by the other three organizations according to their previous shares. Kapralik attempted to argue that the CBF was to receive 2.5% of the total, and would not agree to anything less. I replied that the same argument would be advanced by the Jewish Agency and the JDC, namely that they should receive 4/9ths and 2/9ths respectively and would not accept less, and that such a position was not at variance with my discussion with Sir Henry and Oscar Joseph. Kapralik said he would discuss the matter with Sir Henry and in a subsequent telephone conversation which I have had with Kapralik, he said that Sir Henry's reaction was that he had not agreed to reduce the share of the Central British Fund but that in any event he saw no point in taking a position on this question until he heard from the Council as to what they will be pressing for.

Kindest regards.

Sincerely yours,



Jerome J. Jacobson

JJJ/mr

cc: Mr. M. W. Beckelman
Mr. E. Laor
Mr. B. Ferencz
Dr. G. Josephthal

M.A. [unclear]
MAR 30 1955
D. [unclear]

March 29, 1955

~~CONFIDENTIAL~~
J. [unclear]

Mr. Saul Kagan
Jewish Restitution Successor Organization
270 Madison Avenue
New York 16, New York

Dear Saul:

I enclose herewith a copy of a self-explanatory letter.

I should like to have your comments, and those of the other persons to whom distribution has been made, as soon as possible.

Sincerely yours,

Seymour J. Rubin

Enclosure

CC: Dr. Hevesi
Dr. Robinson
Mr. Leavitt

**Mr. Walworth Barbour
Deputy Assistant Secretary
Bureau of European Affairs
Department of State
Washington 25, D. C.**

Dear Mr. Barbour:

I address this letter to you in view of your having headed the United States delegation in the recent discussions with Dr. Herman Abs, representing the Federal Republic of Germany, on the subject of possible return of German assets in the United States.

At the conclusion of these discussions, the Department announced that it would present a proposal to the Congress for the return of the assets of natural persons up to a limit of \$10,000. I believe that it is estimated that such returns will cover 90 percent of the privately owned assets of German individuals vested by the United States under the terms of the Trading with the Enemy Act.

As you know, the 83rd Congress passed Public Law 626, which provided that heirless assets in the United States should be turned over to charitable organizations which might act as the successors to victims of Nazi persecution who died without heirs. The President of the United States, pursuant to the Act, designated the Jewish Restitution Successor Organization, a New York membership corporation which has long been the recognized successor organization in the American sense of Germany, as the successor organization under Public Law 626. The JRSO has begun the monumental task of compiling facts upon which it can file claims to those assets in the United States, vested as enemy, which appear to belong to heirless persecutees.

I have mentioned the monumental nature of the administrative burden which this task throws upon the JRSO. I should say, also, that

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the United States Government, in implementing the Congressional policy of turning over heirless property for charitable purposes, also must undertake, under present procedures, a large administrative burden. This burden is so large indeed as to occasion legitimate fear that it may well delay implementation of the Act and realization of the proceeds which are to be expended for surviving victims of Nazi persecution.

Under these circumstances, it would seem appropriate that such legislation as may now be under consideration within the Executive branch, looking toward return of the property of German individuals, include a provision or provisions authorizing and directing a bulk settlement of the heirless property claims. Once the return program described in the Department's press release is effectuated, claims will, by definition, have been filed for all individually held German assets in the United States (up to the limit of \$10,000), other than those held from Eastern Germany or those assets which are heirless. The Eastern German category could, it would seem, be easily dealt with. The remaining amount of unclaimed, and therefore presumptively heirless, property is very likely to be substantially in excess of the \$3 million limit which has been set by Public Law 626. Under these circumstances, it would seem desirable from all points of view that a bulk settlement be worked out as a means of cutting through masses of red tape, which is otherwise likely both to delay attainment of the object of relief expenditures and burden the agencies, charitable and governmental, which must be concerned with this problem.

It is the intention of the JRSO to continue, of course, with implementation of Public Law 626 to the extent possible. I suggest, however, that the above proposal might be considered as a policy matter, and might be the subject of consultation prior to submission to the Congress of the Executive position on the above-mentioned legislation.

Sincerely yours,

Seymour J. Rubin

338229

An den
Herrn Bundesinnenminister
z.Hd. Herrn Min.Rat Dr. Gussone

Frankfurt/Main, den 13. Juni 1955
Dr. K/hue.

B o n n
Rheindorferstr. 198 (Postfach)

Betr.: Betreuung der juedischen Friedhoefe.

Sehr geehrter Herr Ministerialrat!

Mit Ihrem Schreiben vom 20. Mai 1955 an Herrn Dr. Loewenthal haben Sie die Aeusserung der Verfassungsabteilung Ihres Hauses zu der Frage der Unterhaltung der juedischen Friedhoefe mit der Bitte um diesseitige Stellungnahme dazu mitgeteilt.

Ich gestatte mir, mich dazu wie folgt zu aeussern:

1. Die Verfassungsabteilung des Bundesinnenministeriums sollte die Frage pruefen, ob die konkurrierende Zustaendigkeit des Bundes unter dem Gesichtspunkt der "Wiedergutmachung" in Art. 74 (9) des Grundgesetzes i.V.m. mit der Unterhaltung juedischer Friedhoefe gegeben sei oder nicht.
2. Diesseits war behauptet worden:
 - a) Vor Hitler waren die juedischen Friedhoefe durch die juedischen Gemeinden in Deutschland unterhalten. Diese juedischen Gemeinden sind durch Hitler vernichtet worden; ihre Mitglieder sind vertrieben oder umgebracht und ihre Vermoegen sind konfisziert.
 - b) Ohne die Hitler'sche Vernichtung der juedischen Gemeinschaft in Deutschland waeren daher
 1. die Menschen
 2. die Mittelvorhanden, die die Unterhaltung der juedischen Friedhoefe bewirkt haetten.
 - c) Die Verwaerlosung der juedischen Friedhoefe durch Wegfall der vorgenannten Menschen und Mittel ist daher die natuerliche Folge der Vernichtung der juedischen Gemeinschaft in Deutschland durch den Nationalsozialismus.
 - d) Ebenso wie der Moerder den minderjaehrigen Sohn des Ermordeten zu unterhalten hat, wenn dessen Unterhaltung durch die Toetung des Vaters in Wegfall kommt, muss der Rechtsnachfolger der frueheren Naziregierung die Unterhaltung der juedischen Friedhoefe vornehmen, wenn diese durch die Zerschlagung der frueheren Unterhaltstraeger in Verfall gekommen sind.

- e) Die Unterhaltung der Friedhoefe durch deutsche Regierungsstellen ist daher Wiedergutmachung des von den Nationalsozialisten durch Vernichtung der einzelnen Eigentumstraeger dieser Friedhoefe angerichteten Unrechts.
3. Die in Abs. 2 des Schreibens des Bundesinnenministeriums vom 20.5.55 angegebenen Gruende, aus denen die Verfassungsabteilung die ihr vorgelegte Frage verneinen zu koennen glaubt, entbehren der Stichhaltigkeit.

Die Gruende sind in 6 Saetzen enthalten, zu denen einzeln wie folgt Stellung genommen wird:

1. Satz

"Eine individuelle Beruecksichtigung konkreter Schaeden juedischen Eigentums an Friedhofsgegenstaenden sei im vorliegenden Falle weder ins Auge gefasst, noch wuerde sie Fragen verfassungsrechtlicher Art aufwerfen."

Der Satz ist unverstaendlich. Soweit juedische Friedhoefe Eigentum juedischer Gemeinden waren, wurde die Schadenszufuegung dieses Eigentums durch die Vernichtung ihres Traegers und die damit herbeigefuehrte Unmoeglichkeit der Unterhaltung und Pflege des Eigentums bewirkt. Dass die Beseitigung dieser Schaeden deren Wiedergutmachung im Sinne des Art. 74 (9) des Grundgesetzes bedeuten wuerde, sollte nicht zweifelhaft sein. Wiedergutmachung ist bekanntlich der Oberbegriff, der sowohl Rueckerstattung als auch Entschaedigung umfasst; der oben zitierte Satz gibt den Begriff einer Einschraenkung, die durch nichts gerechtfertigt ist.

2. Satz

"Eine Pauschalabgeltung, um die es hier offenbar gehe, koenne aber begrifflich in den Bereich unmittelbarer Wiedergutmachung nicht eingeordnet werden."

Wenn ein Schadenstatbestand gegeben ist, der im Wege der Wiedergutmachung beseitigt werden soll, so wird dieser Tatbestand nicht dann ausgeraemt, wenn statt einer minutioesen Schadensfeststellung eine Pauschalregelung angestrebt wird.

Im uebrigen handelt es sich nicht um eine Pauschalabgeltung, sondern um die Beseitigung des bei jedem einzelnen Friedhof durch dessen Verwaerlosung entstandenen Schadens durch Uebernahme von dessen Unterhaltung. Dieser Vorgang ist "unmittelbare Wiedergutmachung".

3. Satz

"Das Wesen eines unmittelbaren Schadens liege darin, dass bestimmtenindividuellenGeschaedigtenan ihren persoenlichen Rechtsguetern Schaeden erwachsen seien."

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Diese Voraussetzungen liegen hier vor:

Die individuell Geschädigten sind die zerschlagenen juedischen Gemeinden, in deren Eigentum die juedischen Friedhoefe standen. Schaden ist an diesem Eigentum erwachsen,

4. Satz

"Das Judentum als solches sei jedoch weder aus eigenem Recht noch aus dem Gesichtspunkt einer Rechtsnachfolge Traeger solcher Einzelrechte."

Der hier zur Diskussion stehende Anspruch wird nicht von dem "Judentum als solchem" geltend gemacht, sondern von den amtlichen Nachfolgeorganisationen, denen Wiedergutmachungsansprueche sowohl unter der Rueckerstattungsgesetzgebung (Art. 8 US REG, 7 Br - REG) als auch unter der EntschaeDIGUNGsgesetzgebung bezgl. des Vermoegens der zerschlagenen juedischen Gemeinden zustehen.

5. Satz

" Der ideelle und auch materielle Schaden, der der Judenheit als solcher zweifellos in ganz erheblichem Masse widerfahren sei, koenne daher nur als ein mittelbarer bezeichnet werden."

Es handelt sich nicht um einen ideellen Schaden, sondern um einen Schaden am Eigentum, mithin um Vermoegensschaden.

Dieser materielle Schaden ist nicht der "Judenheit als solcher" entstanden, sondern den einzelnen Gemeinden im Zuge des Hitler'schen Vernichtungsfeldzuges gegen sie.

Dieser Schaden war das unmittelbare Ziel und die unmittelbare Folge dieses Vernichtungsfeldzuges.

Die Vernichtung des Unterhaltstraegers und damit die Verhinderung der Unterhaltung der Friedhoefe ist daher die unmittelbare natuerliche Folge der nationalsozialistischen Gewaltherrschaft; Die Vernichtung der juedischen Gemeinden war in jedem Falle die adaequate Ursache fuer den Wegfall der Unterhaltung der juedischen Friedhoefe (im Sinne der adaequaten Kausaltheorie).

Die Verkennung der Kausalkette ist hier um so befremdlicher, als das OLG Frankfurt/Main in seinem Urteil vom 10.11.54 in 8 U 330/53 festgestellt hat, dass - wo ein Jude wegen des nationalsozialistischen Regimes sich zur Auswanderung nach Frankreich entschloss und nun dort nach Kriegsausbruch in dem Lager St. Cyprien inhaftiert wurde - zwar nicht zu bezweifeln sei, dass dessen Verbringung in dieses Lager kriegsbedingt war, "diese kriegsbedingte Massnahme aber die adaequate Folge zumindestens des auf den Klaeger unter schwersten Drohungen ausgeueBten Druckes war, innerhalb kurzer Zeit Deutschland zu verlassen."

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Die Verfassungsabteilung des Bundesinnenministeriums verkennt den Begriff des adaequaten Kausalzusammenhanges, wie er von Rechtslehre und Rechtsprechung entwickelt ist.

Wenn der selbstaendige und dazwischentretende Akt der Verhaftung eines aus Deutschland ausgewanderten Juden durch franzoesische Behoerden als kriegsbedingte Massnahme noch immer die adaequate Folge seiner durch die Nationalsozialisten bewirkten Auswanderung aus Deutschland ist, um wieviel mehr ist dann der Verfall juedischer Friedhoefe durch Zerschlagung der Unterhaltstraeger die adaequate Folge dieses durch die Zerschlagung angerichteten Unrechts.

6. Satz.

" Die Loesung der Frage seiner Abgeltung duerfe allein in den Vereinbarungen der Haager Konferenz zu suchen sein."

In dem Haager Abkommen ist dieser Komplex nicht geregelt worden; deshalb ist seine Regelung hier erforderlich.

- 4. Ich glaube zu wissen, dass Sie, sehr geehrter Herr Ministerialrat, das negative Gutachten der Verfassungsabteilung Ihres Hauses ebenso bedauern wie wir es tun. Ich glaube aber, dass ohne Schwierigkeit die Herren der Verfassungsabteilung zu einer Nachpruefung der von ihnen geaesserten Bedenken veranlasst werden koennen, damit endlich die Ueber Gebuehr hinausgezoeagerte Regelung dieser brennenden Frage erfolgen kann.

Bei gutem Willen und dem Bestreben, einer guten Sache durch Ueber-spitzung von Rechtsbegriffen nicht zu schaden, waere es leicht, den Naehrboden fuer Ressentiments zu beseitigen, die der Anblick verwahrloster juedischer Friedhoefe an nun judenreinen Plaetzen besonders bei aus dem Ausland zu Besuch der Graeber kommenden Angehoerigen ausloesen. Wir wissen, dass Sie, sehr geehrter Herr Ministerialrat, alles in Ihrer Macht stehende tun werden, um das von uns gemeinsam verfolgte Ziel zu erreichen. Wir waeren Ihnen dankbar, wenn Sie nunmehr veranlassen wuerden, dass Ihr Ministerium sich positiv zu diesem Komplex einstellen wird. Das negative Gutachten Ihrer Verfassungsabteilung stellt eine Blockierung auf dem von uns verfolgten Wege dar und duerfte nicht dem Geiste entsprechen, aus dem gerade unter der Fuehrung des Bundesinnenministeriums und Ihrer persoenlichen Einsetzung dieser Komplex vor mehr als 3 Jahren in Angriff genommen wurde.

Mit verbindlichen Gruessen
Ihr sehr ergebener

Dr. E. Katzenstein
Director
Plans and Operations Board

GEN. & EMERG.

JDC Archives
AR 45/84
#4260

JEWISH RESTITUTION SUCCESSOR ORGANIZATION
270 Madison Avenue
New York 16, N. Y.

March 29, 1955

Letter No. 1968

Mr. Benjamin B. Ferencz
JRSO Frankfurt

CONFIDENTIAL

Dear Ben:

I was very pleased to learn, from your letter # 2142 of March 23rd, that we have received an official proposal from the Finance Ministry concerning the bulk settlement of Reich claims of the successor organizations. I would appreciate receiving copy of this proposal as soon as possible. I have also received your following cable:

FINANCE MINISTRY REPORTS RECEIPT OF CONFIDENTIAL LETTER SIGNED BY ALL LANDESVERBAENDE SAYING COMMUNITIES NOT BOUND BY REICHCLAIMS SETTLEMENT WITH SUCCESSOR ORGANIZATIONS WITHOUT GEMEINDE SIGNATURE

I assume that you have discussed this with Nahum Goldmann. I have had occasion to mention this to Boukstein, Josephthal and Leavitt. It is of course difficult, on the basis of this message alone, to determine how serious this move on the part of the Gemeinden is, in view of the official offer which we have now received from the Ministry of Finance on terms which I am sure will be acceptable to us.

It would appear to be essential to explain to Wolff the record of our efforts to place funds at the disposal of the communities, both through the successor organizations and the Claims Conference. I think that we should have no difficulty showing that this represents a more than fair distribution of Jewish public funds for the needs of the Gemeinden.

I am aware of the fact that the offer of the Finance Ministry has only meaning after the Reich Claims Law has been passed by Parliament, including that provision of the law which gives authority to the Finance Ministry to arrive at bulk settlements with successor organizations. There are obviously possibilities for the Gemeinde agitators to use Parliamentary debate to attack the successor organizations and try to exact commitments for a share for the needs of the communities in Germany. We know from our JRSO experience that there is no great love among German politicians for the successor organizations.

If the Finance Ministry is prepared to ignore the Gemeinde intercession in the bulk settlement, it may be tactically wiser for us not to raise this particular issue directly with Van Dam & Co. However, we should then proceed with the warning by Goldmann, Blaustein and Leavitt that they intend, within the Conference, in connection with next year's allocations to insist upon a full accounting of resources available to the communities through settlements with successor organizations.

338234

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I would suggest that you discuss this matter fully with Goldmann in Europe, so that the definitive action could be taken up by him with the operating agents, upon his return.

Cordially yours,



Saul Kagan

SK:AUN

cc. M.W.Beckelman
M.M.Boukstein
N. Goldmann
I. Goldstein
M. Goldwater
J. Jacobson
C.H.Jordan
G. Josephthal
M. A. Leavitt

338235

Federal Ministry of Finance
- V B/4 -)O 1480 - 126/55

Bonn 3. 18. 1955

GEN. & ENERGI

To the
Jewish Restitution Successor Organization
Frankfurt am Main
Friedrichstr. 29

JDC Archives
AR 45/84
#4260

Jewish Trust Corporation for Germany
Hamburg 1
Spitaler Strasse 1

Re: Conclusion of a Global Settlement between the Federal Republic
of Germany and the Successor Organizations

In the discussions which have taken place in Frankfurt on December 21, 1954, my representatives have already pointed out the close connection between the intended global settlement and the law for the settlement of the monetary restitution obligations of the German Reich which was in preparation. They have emphasized in this connection that the global settlement can only become valid when the law for the settlement of monetary restitution obligations of the German Reich become effective, and that changes in this draft law, which might result from further negotiations with representatives of the Allied High Commission and the discussions in parliament, would also affect the global settlement. Nevertheless, discussions concerning the global settlement should be continued so that agreement on questions of principle can be reached as soon as possible.

In the discussions the representatives of the successor organizations had agreed to submit as much as possible further evidence to the fact that a considerable part of the claims filed by the successor organizations with the Central Filing Agencies has not yet been transferred by the latter to the Indemnification Agencies and, therefore, could not have been considered in the estimates of the Finance Offices (Oberfinanzdirektionen). As I have been advised in the meantime by Dr. Schoenfeldt these proofs cannot be submitted without time consuming investigations. I will, therefore, assume at this time that a part of the claims filed by the successor organizations have not yet been considered in the estimates of the Finance Offices, but would like to point out that this will probably concern particularly claims where there is some doubt concerning the validity of the legislation or where there is so little substantiation of the claim that it can not even be ascertained which restitution agency is competent for the claim.

As in your letter of December 20, 1954 which was handed to my representatives in the discussions in Frankfurt, it is further pointed out that the claims of the successor organizations may also be increased by the fact that the German Reich in the light of the present legal practice would also be liable for the restitution obligations of the Reichsvereinigung der Juden, this may have already been taken into account by taking as a basis a certain percentage of the claims of individual claimants.

I, therefore, see basically no reason to depart from the ratio of 10% of the total amount payable to individual claimants, as suggested in my letter of December 9, 1954. In consideration of the above mentioned viewpoints, however, I am prepared to charge against the total amount to be calculated only the payments by the Lander in the American zone, which the successor organizations received from these Lander for the

assignment of the monetary restitution claims against the German Reich. Thus aside from the total amount to be calculated according to the above percentage, I would have to satisfy the Lander of the American zone, in so far as their claims may exceed the amounts already paid to you, the General Trust Organization (ATO) and the communal funds of the Lander of the French zone. Thus, in comparison to the proposal of December 9, 1954 the amounts actually to be paid to the successor organizations under certain conditions would be increased by about 15-17 million DM.

Furthermore, I would be prepared on the basis of our discussions so far, to make concessions to the successor organizations as far as payment terms are concerned, and to offer a payment of 75 million DM in one half the period of time which will be envisaged in the law for the settlement of monetary restitution obligations for the satisfaction of claims.

I am sending you enclosed, three copies each of the third draft of a law for the settlement of the monetary restitution organization of the German Reich for your information. A new draft of paragraph 15, which is reserved in this draft, will be submitted subsequently, as soon as there is a decision to what extent here the wishes of the persecutee organizations concerning the shortening of the period required for implementation of the law can be taken into consideration. A new provision in the third draft is the regulation of paragraph 24a concerning the creation of a hardship fund. Such a regulation is absolutely necessary in order to close the here existing loophole in the restitution legislation.

I would appreciate receiving your position concerning the above mentioned principles.

Sincerely yours,

/s/ Wolff

For the Federal Ministry of Finance

338237

Handwritten signature: Seymour J. Rubin

Handwritten signature: W. W. [unclear]

March 18, 1955

Seymour J. Rubin, Esq.,
1832 Jefferson Place, NW
Washington 6, DC

Dear Sy:

This will refer to your letter of March 10th concerning PL 626. As I informed you on the 'phone, we are proceeding with the printing of the Claims forms, and will start filing the claims as soon as the forms are returned from the printer.

I will leave word at the office that for the time being we should omit the filing of claims on all cases where the vesting order bears the 201 number, which I understand, is the number of all patent claims.

We will be able to decide in May whether or not we want to safeguard our rights in that category as well, if only for the sake of good order.

It would be extremely important for us to meet with the person from the Office of Alien Property whom Creighton intends to assign to screen the files which pertain to our cases. It will be most important to explain to him that there is no conflict of interest between the JRSO and the OAP, as it is the clear intent of Congress to turn over to the JRSO all Jewish property for which no claims have been heretofore filed. An early sampling of our claims in terms of values involved would give us an idea of what we may expect, and whether we can develop a good case for justifying a lump-sum payment to us.

We can proceed with the screening of the files on the basis of our list, as we will file our claims officially from that list.

I hope very much that when we meet on Tuesday, we will be able to develop a more definite proposal of a possibility of attaching a rider to the bill, which will return \$10,000 to each person whose assets were vested by the Office of Alien Property. I am afraid that we will be handicapped by the absence of any basis to estimate the value of the Jewish assets in the hands of the OAP. I don't see, however, any reason why we could not endeavor to formulate a rider which would give the OAP authority to bulk-settle PL 626 claims with the Successor Organization

Mr. Rubin

- 2 -

March 18, 1955

up to the limit of \$3,000,000 contained in the original bill.

Cordially,

Saul Kagan
Secretary

Ricg
encl.

CC: M.M. Boukstein
B.B. Ferencz
M. Goldwater
J.J. Jacobson
M.A. Leavitt

338239

Gen. & L. G.
↓
JEWISH RESTITUTION SUCCESSOR ORGANIZATION
270 Madison Avenue
New York 16, N. Y.

March 14, 1955

MEMORANDUM

To: JRSO Executive Committee

From: Saul Kagan

I am enclosing herewith a translated copy of the Agreement which has just been signed in Berlin by representatives of the successor organizations, the Jewish Community of Berlin and the City of Berlin, finalizing the agreement concerning compensation for destruction of communal property.

As you know, the amount of DM 6,600,000 which will now be remitted to the JRSO in this connection, is intended to meet the claims of all three successor organizations, and only a portion of it will eventually accrue to the JRSO.

S K
Saul Kagan

SK:AUN
Enc.

338240

TRANSLATION

A g r e e m e n t

Between

1. the Jewish Restitution Successor Organization Inc. New York as successor and trustee organization according to Artikel 9, 8 Par.1 Sec. 5 BK/O (49) 180 for the U.S. and French Sector,
2. the Jewish Trust Corporation for Germany Ltd., London, appointed as trustee for the British Sector according to the same provisions,

As authorized agent: the party under 1 above

3. the Jewish Community in Berlin, public law body,

on the one hand, and

the Land Berlin, represented by the Senator for the Interior,

on the other hand,

the following agreement is concluded:

1. On the basis of the decision of the Compensation Office Berlin No. 30.456 of August 5, 1954 in connection with Decision No. 31.150 of September 15, 1954 Land Berlin shall pay, in settlement of all claims for compensation for
 - a) destruction and damage to synagogues,
 - b) destruction, damage, pillage and other loss of synagogue equipment, ritual objects and secular furnishings, both as far as communal and organizational or private synagogues are concerned,
 - c) costs for removal of rubble according to Decision No.30.456 of August 5, 1954,

insofar as objects in West Berlin are concerned, a monetary compensation in the amount of altogether DM 9,600,000.-.

Payment is due immediately and shall be effected as follows:

An amount of DM 6,600,000 to the Jewish Restitution Successor Organization Berlin Regional Office, Berlin-Dahlem, Fontanestrass 16, for Account No. 2003 with the Berliner Bank AG - Depka 39 -, Berlin-Zehlendorf;

An amount of DM 3,000,000 to the Jewish Community of Berlin, Berlin N. 65, Iranische Str. 2, for account No. 2320 with the Berliner Bank AG - Depka 33.

338241

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2. At the same time Land Berlin foregoes a demand for repayment of
 - a) the advances against compensation payments to the Jewish Community of Berlin in the amount of DM 850,000.-,
 - b) the construction loan to the Jewish Community of Berlin in the amount of RM 1,792,174.81 and DM 517,000.-,
 - c) a loan in the amount of DM 85,000.- for the procurement of linen.
3. This Agreement shall be in settlement of all claims of the parties listed under 1-3 above for compensation of damages to property due to them according to Par. 18-24 of the Federal Indemnification Law of September 18, 1958 (BGBI. I S. 1387 / GVBl. for Berlin S. 1339) in connection with the Compensation Law to Victims of National Socialism in the version of February 21, 1952 (GVBl. S. 116) and the amendments thereto, or which might become due to them on the basis of future amendments and supplements of the Federal Indemnification Law.
4. Claims which might arise on the basis of future compensation legislation for damages similar to those covered by this Agreement but arising in the Eastern Sector of Berlin, shall not be included in this Agreement.

Berlin, March 3, 1955

Jewish Restitution Successor
Organization, Inc., New York:

/s/ Hans Tuch

Jewish Community of Berlin

/s/ H. Galinski /s/ Julius
Loewenthal

The Senator for the Interior

/s/ Joachim Lipschitz

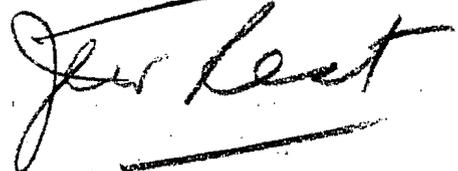
338242

HEADQUARTERS
JEWISH RESTITUTION SUCCESSOR ORGANIZATION
Friedrichstrasse 29, Frankfurt a/Main

CONFIDENTIAL

28 February 1955

Mr. Saul Kagan
IRSO - Berlin



Dear Saul:

On Friday, February 25, Dr. Weis and I were invited to a luncheon meeting with the Regierende Buergermeister Dr. Suhr of Berlin, Buergermeister Dr. Amrohm, the Finance Senator Dr. Haas and the Senator of the Interior, Herr Lipschitz. I won't go into the details but merely give you the conclusions.

The meeting was one of the best we have had on a Berlin bulk settlement. Suhr promptly stated that everyone was agreed in principle that such a settlement should be made. He told us that there was a new wind blowing in Berlin, and that a settlement should be completed in the near future. He jocularly, but very pointedly seated Haas between himself and Lipschitz in order, as he put it, that they might serve as the prongs of a pincer putting the squeeze on him. For the first time poor Haas was buffeted from pillar to post, and every time he tried to weasel out or wriggle he was caught by the tail and pulled back.

Suhr is certainly on our side, and even more so is Herr Lipschitz. The latter was most outspoken in his support of restitution and in his insistence that the City pursue the claims with vigor against the restitutors. Dr. Amrohm believed that the City could not enforce Allied laws which were contrary to German law, and spoke sympathetically about the bona fide acquirers of Jewish property. Both Lipschitz and Dr. Weis rejoined that there were practically no such animals and Amrohm was quick to backtrack.

Haas wanted to start negotiating about the sum, but I told the Regierende Buergermeister that that problem had already been settled since we had already reached an agreement in the presence of Dr. Goldmann and Dr. Shinner that, even if the Federal Ministry of Finance was not prepared to reimburse Berlin for pawnshop and furniture claims, Haas would support a payment of 20 million DM. Haas was forced to confirm it but hemmed and hawed like hell. I stated that the only problems which were open were

1. the formulation of the agreement, and I had prepared a draft for their consideration, and
2. the question of whether the City itself would prosecute the claims or whether they would establish an independent corporation for that purpose.

Suhr replied that on the second point it was a matter for the City to decide and since it made no difference to us, there was only one question still open. He said he could not determine what was an appropriate sum and we would have to agree with Haas on that matter. He instructed Haas to place the matter formally before the Senate within two weeks for decision. The final text of the agreement need not be placed before the Senate at this time but the general outline and the sum should be made clear. Haas said that he would be away during Senate meeting on Monday, March 14, and Suhr said it could be the next week. I understand from a phonecall from Weis that Lipschitz is pressing to place

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- 2 -

matter before the Senate today.

Although I argued that the 20 million figure would eliminate any requirements for accounting on the part of the IRSO for receipts since the time our basic lists of property were prepared, and that the cut off date should be the date of signing the agreement, I suspect strongly that Haas will take a different view. He will probably try to obtain reductions in the 20 million figure for everything we have received in the past year or so, and he will probably try to include all of our real estate on hand in the bargain at the same price. On this point I told him that Dr. Goldmann had offered to include the real estate if 25 million DM were paid, but this Haas denied. During the meeting with Dr. Goldmann last September we did not discuss what would happen to the real estate if only 20 million were paid, so that we may have a battle on this point. The real estate is worth about two to three million marks.

In short, although we still have a little haggling to do, the thing seems to be on the move again and in a favorable direction. We will have to keep our fingers crossed and see what happens.

Cordially yours,

Benjamin B. Ferencz

338244

GOLDWATER & FLYNN
 COUNSELLORS AT LAW
 60 EAST 42ND STREET
 NEW YORK 17, N. Y.

TELEPHONE MURRAY HILL 2-1411

February 15, 1955

FEB 17 1955

Mr. Saul Kagan
 Jewish Restitution Successor Organization
 270 Madison Ave.
 New York 15, N.Y.

Dear Saul:

I have your memorandum of February 1st and have carefully considered the statement of policy which Dr. Simon and Dr. Callman have asked us to adopt in connection with Public Law 420. My comment follows:

1. Paragraph (1) of the Statement is merely a reiteration of the obligation that J.A.S.O. undertook when it accepted designation.

2. The first sentence of paragraph (2) of the Statement is a reiteration of our obligations under the Law.

3. I object to singling out in any statement of policy five organizations.

The implications which may be claimed to arise from this would undoubtedly prove annoying or embarrassing in the future. This form of resolution would easily be construed as giving undue weight to the claims of the organizations specifically mentioned.

4. I am violently opposed to Paragraphs (3)(a) and (b) of the Statement. This is a repetition of the general proposal which was made at our meeting with the group many weeks ago, watered down a little, it is true, but containing the same objectionable principles.

Sincerely yours,

MG/y

ccs. to: Maurice M. Boukstein, Esq.
 150 Broadway, New York 6 N.Y.
 Dr. Israel Goldstein,
 270 W. 89th St. N.Y. 24
 Mr. Moses A. Leavitt
 Joint Distribution Committee
 270 Madison Avenue, New York 16 N.Y.

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JDC Arghvies
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February 12, 1955.

Accounting Letter #4879-SS

TO: AJJDC - NEW YORK - Att: Miss M. Feiler
FROM: AJDC - BHQ - Finance & Accounting Department
RE: JRSO - Item #20 of my Memorandum of January 4, 1955.

This is with reference to the above subject. On the occasion of Mr. Ferencz's recent presence in Paris in connection with the URO conference, I asked Mr. J. Jacobson and Mr. Ferencz to settle once and forever, the long outstanding item of \$598.43. I am enclosing herewith a copy of Mr. Jacobson's letter to Mr. Ferencz of February 11, 1955 which is self-explanatory.

I hope that the payment which we expect from JRSO will be effected to our office in Frankfurt in the very near future. Sorry that it was impossible to settle this before December 31, 1954.

S. SHARGO

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Handwritten signatures and initials

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

270 MADISON AVENUE

NEW YORK 16, N. Y.

February 1, 1955

MEMORANDUM

- Mr. Maurice M. Boukstein
- Dr. Israel Goldstein
- Mr. Monroe Goldwater
- Mr. Moses A. Leavitt

Gentlemen:

Reference is made to the minutes of the JRSO Executive Committee meeting concerning the resolution on behalf of the organizations.

I have now received, on behalf of Dr. Simon, who was one of the spokesman of the organizations, a revised text of a resolution to be adopted by the JRSO. I have not had the opportunity to discuss with Dr. Callman to determine whether he intends to reintroduce the resolution in the revised form. This is just by way of an advance notice. We may have to consider it at a future meeting of the Executive Committee.

Handwritten signature of Saul Kagan

Saul Kagan

att.

STATEMENT OF POLICY

If designated as a Successor organization under Public Law 626, 83rd Congress, the Jewish Restitution Successor Organization will take the following action:

- (1) It will provide the funds necessary for the prosecution of claims for the return of vested heirless property.
- (2) It will initiate action to distribute the funds so recovered to existing Jewish welfare organizations exclusively engaged in charitable work in the United States in the interest of victims of Nazi oppression. Among others the following organizations are regarded as such exclusive Jewish welfare organizations:
 1. The Blue Card, Inc. of New York, N. Y.
 2. Help & Reconstruction, Inc. of New York, N. Y.
 3. Self Help of Emigres from Central Europe, Inc. of New York, N. Y.
 4. New Jersey Fellowship Fund for the Aged, Inc. of Newark, New Jersey.
 5. The Chicago Home for Aged Immigrants, Inc. of Chicago, Illinois
- (3) (a) If the amount recovered does not exceed \$50,000.00 final responsibility for the allocation of funds shall vest in the Executive Board of JRSO.
 - (b) If the amount recovered exceeds \$50,000.00 JRSO shall convene a conference of all organizations qualifying under (2). Such conference shall be charged with the responsibility of developing a plan for the allocation of funds. If a plan has been ratified by 51% of the organizations represented at such conference, it shall be binding on JRSO. If the conference fails to agree, the Executive Board of JRSO shall develop its own plan in consultation with the organizations represented at the conference.

JDC Archives

AR 45/84

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GEN. C.

MAL

Wright

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

270 Madison Avenue

New York, N. Y.

28 January 1955

MEMORANDUM

The attached article by Dr. Breslauer, Vice President of the Council of Jews from Germany, may be of interest.

S. Kagan
Saul Kagan

att.

338249

THE RESTITUTION SUCCESSOR ORGANISATION
AND EQUITY CLAIMS

It will be welcomed that an amicable settlement has been reached between JRSO (the Jewish Restitution Successor Organisation for the American Zone of Germany and the American Sector of Berlin) and the Council for the Protection of the Rights and Interests of Jews from Germany. It would be out of place and time to expand on differences now settled. However, it is necessary to clarify one point which has been of some importance in the past and which must not lead to difficulties in the future.

One of the arguments put forward in the course of the negotiations with the Council was that JRSO had already given not less than 13 million DM to Jews from Germany by the settlement of "equity" claims. It is certainly true that JRSO as well as its corresponding organisation in the British Zone, the Jewish Trust Corporation, have reassigned a considerable number of claims to "equity claimants"; neither is there any reason to query the figure given by JRSO. Yet the facts behind this argument call for an explanation.

The Restitution laws stipulate that claims which have not been lodged in time by the original owners or their heirs can be submitted by the so-called Successor Organisations; the assets recovered in this way have to be used for charitable purposes which in the case of formerly Jewish property means for Jewish relief and rehabilitation.

There are some who maintain that the Successor Organisations act as trustees of the original owners and that they should therefore turn over such property to the original owner or successor-in-title whenever he applies for it. This view is not shared by the Court of Restitution Appeals for the American Zone at Nuremberg, nor by the majority of lawyers. The Successor Organisations are considered to have acquired the "heirless or unclaimed" property in their own right. They certainly act as trustees, but as trustees for Jewish survivors in general. However, it was soon recognized that the problem could not be tackled satisfactorily under merely legal aspects. Quite a few previous owners and an even greater number of heirs had missed the time limit because they had not been aware of their rights or because they did not know that of their deceased predecessor's property. The Successor Organisation realised that it would be unfair to retain such property instead of restoring it to the original owners or their heirs. A procedure developed under which the reassignment of the property could be claimed from the Successor Organisations, though not by right, but as a matter of "equity". The Successor Organisations only made deductions as a recompense for the work they had done—quite rightly, because otherwise the expenses for the proceedings from which the claimant benefits would fall on the charitable funds of the organisation.

However, an "equity" claim was and is not recognised in every case. There are certain limitations, referring mainly to the following three

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categories of claims:-

1. An "equity" claim is not recognised if the individual victim intentionally omitted to lodge the claim in time. Indeed, there would be no equity for a case like this. "He who goes to Equity must come with clean hands," says an old English ruling. It is not pleasant (but it happens unfortunately) that people who just did not take the trouble of establishing their claim later on wish to benefit from the labours of a charitable organisation.

2. The right to claim "in Equity" is, e.g. according to the rules of the Jewish Trust Corporation, also denied to persons who would have been heirs under German law who are, however, not close relatives of the original owner, but, e.g., cousins. This limitation is based on the assumption that an owner would certainly have wished to leave his property to his wife, children, brothers or sisters, but that instead of leaving it to distant relatives he would rather have bequeathed it to Jewish charities. It may be difficult to draw the border line in each case, but the principle underlying can hardly be contested.

3. The third limitation refers to cases in which claimants, after having failed to submit their claims in time to the Restitution authorities, also missed the time limits stipulated and announced by the Successor Organisations for equity proceedings. This is the most controversial limitation and often gives cause to complaints. To avoid real hardship, an informal agreement has been reached between the Jewish Trust Corporation, operating in the British Zone, and the Council of Jews from Germany according to which the Jewish Trust Corporation will waive its right to apply the time limit in exceptional cases, i.e. if the claimant is a needy person and was prevented from starting equity proceedings even during the prolonged period of time. It seems that JRSO upholds the same principle and also recognizes cases of hardship, at least in Berlin, though it may no longer be able to do so in Southern Germany because, by way of global settlements, it had to reassign its remaining claims to the German Laender.

Whilst there are certainly cases in which complaints are justified, it can be stated that, generally, the Successor Organisations have acted fairly and "equitably" when dealing with "equity" claims. This is only what was to be expected from a Jewish charitable organisation. However, if anybody should claim that by reinstating owners or their heirs into their rights, JRSO has made a gift of many million DM to Jews from Germany, the answer can only be: "Thank you for nothing."

W. BRESLAUER

338251

[Handwritten signatures and initials]
JAN 6 1955

January 4, 1955

Mr. Saul Kagan
Jewish Restitution Successor Organization
270 Madison Avenue
New York 16, New York

Dear Saul:

I had an inquiry today from Oscar Davis, who is the senior deputy to the Solicitor General of the United States. He said that some people in the Department of Justice had asked him about the constituent membership of the JRSO. He did not have any further information on the subject.

I told Davis that the application submitted by the JRSO for designation as a successor organization under Public Law 626 gave full details on its membership, etc. I also pointed out that its charter indicated the kind of organization that it was, and that the memorandum which had been submitted to the various interested Departments gave a full history of the JRSO, its activities, its responsibilities, etc.

Davis, however, said that all he wanted was an indication of some of the constituent members, and I then gave him a brief run-down on the American Jewish Committee, the Congress, etc.

I take it from this inquiry that something is happening in the Department of Justice, and I hope that we may expect the Executive Order and the designation of the JRSO within the next couple of days.

Best regards.

Sincerely,

Seymour J. Rubin

CC: Mr. Leavitt
Dr. Hevesi

338252

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

270 Madison Avenue

New York 16, N. Y.

17 January 1955

MEMORANDUM

To: Executive Committee
Members of the Board
Member Organizations

From: Saul Kagan

Please be advised that the President has designated the Jewish Restitution Successor Organization as the successor organization under United States Public Law 626. The following is the text of the Executive Order and press release issued by the White House.

EXECUTIVE ORDER

Administration of Section 32 (h)
of the Trading with the Enemy Act

By virtue of the authority vested in me by the Trading with the Enemy Act, as amended (50 U.S.C. App. 1 et seq.), and by section 301 of title 3 of the United States Code (65 Stat. 713), and as President of the United States, it is ordered as follows:

Section 1. The Jewish Restitution Successor Organization, a charitable membership organization incorporated under the laws of the State of New York, is hereby designated as successor in interest to deceased persons in accordance with and for the purposes of subsection (h) of section 32 of the Trading with the Enemy Act, as added by Public Law 626, approved August 23, 1954 (68 Stat. 767).

Section 2. Exclusive of the function vested in the President by the first sentence of the said subsection (h) of Section 32 of the Trading with the Enemy Act, the Attorney General shall carry out the functions provided for in that subsection, including the powers, duties, authority and discretion thereby vested in or conferred upon the President; and functions under the said subsection are hereby delegated to the Attorney General, and the Attorney General is hereby designated thereunder, accordingly.

Section 3. The Attorney General may delegate to any officer and agency of the Department of Justice such of his functions under this order as he may deem necessary.

DWIGHT D. EISENHOWER

THE WHITE HOUSE
January 13, 1955

338253

/over/

Press Release

January 13, 1955

James C. Hagerty, Press Secretary to the President

THE WHITE HOUSE

The President today signed an executive order designating the Jewish Restitution Successor Organization (JRSO), a New York charitable membership corporation, as an organization authorized to receive unclaimed property as successor in interest of certain deceased victims of Nazi persecution which is held by the Attorney General under the Trading with the Enemy Act. The President's action was taken pursuant to Public Law 626, 83d Congress, approved August 23, 1954, amending section 32 of the Trading with the Enemy Act. The President has also authorized the Attorney General to administer the act.

Previous legislation enacted by Congress permits the Attorney General to return enemy property seized during World War II in cases where the owners of the property belonged to groups which were persecuted by the Nazi Government or the governments of other enemy countries. Where such owners have died, the Attorney General may make returns to their heirs. However, in some instances, the seized property is unclaimed because there are no surviving heirs. Public Law 626 authorizes the transfer of such "heirless" property to one or more American nonprofit charitable organizations designated by the President, for use in the rehabilitation and settlement, on the basis of need, of persons in the United States who are survivors of persecuted groups. Safeguards are provided, however, for retransfer of the property should it subsequently appear that there are eligible heirs.

Public Law 626 is similar to Military Government Law 59 which was put into effect in the United States Zone of Occupied Germany in 1947. Under the program made possible by Law 59, unclaimed property of deceased Jewish victims of Nazi persecution was turned over to JRSO to be devoted to the relief of the survivors among such victims. JRSO, which was founded in 1947 by leading Jewish welfare groups in this country in anticipation of Law 59, made an excellent record in carrying out that program. JRSO's work in Germany has commended it to the President for designation to carry out similar work in this country under Public Law 626.

338254

JEWISH RESTITUTION SUCCESSOR ORGANIZATION
270 Madison Ave.
New York 16, N.Y.

January 11, 1955

MEMORANDUM

To: JRSC Executive Committee

It has been brought to our attention that the American Association of Former European Jurists in New York (under the leadership of Dr. Walter Kellogg, Dr. Julius Weigert and Dr. Bruno Weil) submitted on December 14, 1954 a memorandum to the German Minister of Finance concerning the proposed draft for a law covering the restitution obligations of the former Reich. You will be interested to know that this memorandum contained, among others, certain statements concerning the successor organizations, a summary translation of which is following below. As far as the actual facts of the situation here referred to are concerned, you are of course aware that both the JRSC and the Claims Conference have for the past year been pressing vigorously for a general reopening of the filing deadlines for claims against the former Reich, and such a provision is contained in the present draft of the law. The following material is transmitted to you as an indication of the general attitude of the above mentioned organizations, and your particular attention is called to the last paragraph.

The reopening of the filing deadlines is very welcome. However, it is to be deplored that an exception is to be made in cases where the successor organizations have filed a claim. This would in fact lead to a discrimination against Jewish persecutees, since successor organizations involve only former Jewish property, while non-Jewish persecutees would remain free to submit their claims against the Reich at this time.

This discrimination must be clear to the drafters of the law, since they find it necessary to justify this action by reference to the special rights of the successor organizations under the allied Military Laws. The draft even seems to anticipate to possible subsequent consent of the three powers to such an "encroachment" by inner-German legislation on the rights of the successor organizations.

We believe that the reopening of the deadlines for Jewish persecutees whose claims were registered by the successor organizations constitutes no encroachment on the rights of the latter under the military legislation. The successor organizations always had a right to file only after the expiration of the deadlines. The extension of the deadlines is undoubtedly within the jurisdiction of the Federal Republic. No one

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will interpret the Third Chapter of the Contractual Agreement to prohibit an amendment of the restitution law in favor of the persecutees. An extension and reopening of deadlines through inner-German legislation is always admissible. A filing of claims by the successor organizations does not act against this.

This is completely clear insofar the successor organizations ceded the rights they had acquired through military legislation to the German Laender. (so far in Bavaria, Wuerttemberg-Baden, Bremen and Hessen, shortly perhaps Berlin). For protected under Article 3, sentence 2 are only the successor organizations, not even their assignees.

Finally the following must be pointed out: The filing periods for so-called equity claims had been set by the successor organizations so unilaterally and so short, and had been so insufficiently publicized, that the majority of persecuted Jews had no knowledge of these periods nor could have had it. The so-called equity procedure came about the following way: The JRSO had had itself designated as collecting agency for all heirless Jewish property under the restitution law (Military Government Law 59) and then filed all possible Jewish claims and initially refused to surrender them to all Jewish Nazi victims and their heirs, regardless whether they were or were not at fault or had any knowledge of the filing deadlines. After innumerable complaints and on the intervention of the High Commissioner McCloy obtained by our organization, the JRSO instituted the so-called equity proceedings in which the JRSO was a party and judge, but in which it basically agreed, against the payment of high fees for their alleged trouble, to cede the claims, upon request, to the former owners or their heirs, who had failed to file claims within the legal deadline. A short time afterwards, however, the JRSO, without adequate notification and on very short notice, closed this "equity" procedure for all those who had not yet approached the JRSO. This is being maintained rigorously and without a shadow of a basis by the JRSO even in Berlin, where the filing deadlines expired only much later and the JRSO is still in possession of all restitution claims, since the municipality has thus far refused to buy them from the JRSO. The Executive of the undersigned Association of Jurists has repeatedly requested the reopening of these filing deadlines for equity claims from the Jewish Restitution Successor Organization and the Conference on Jewish Material Claims Against Germany, but was rejected without examination of the problem.

We hold the position that the internal German legislation is not bound vis-a-vis the Allied Governments on this point and could demand a reopening of the equity deadlines. We also have reason to suppose that the Allied Governments would be glad to agree to this. This solution is of course only necessary if the Federal Government should not follow the above suggestions and

338256

admit the reopening of filing deadlines only where no claims had been filed by the successor organizations.

The JRSO and its sister organization in the British Zone have, with a tremendous machinery and the unlimited funds at their disposal, tracked down and filed every conceivable claim. If therefore claims which were filed by the successor organizations should remain excepted from the reopening of the filing deadlines, this reopening would lose its practical significance for the overwhelming majority of individual persecutees, and it will result in a confiscation of property as it was hardly equalled by the Hitlerian confiscations.

Saul Kagan

338257

COPY

JDC Archives
AR 45/24
#4260

Mr. Leavitt
Mr. Goldwater
Dr. Slawson
Dr. Segal
Mr. Boukstein
Dr. Robinson
Mr. Hyman

DEPARTMENT OF JUSTICE
Office of Alien Property
Washington 25, D. C.

October 5, 1956

Landis, Cohen, Rubin and Schwartz
Attorneys at Law
1832 Jefferson Place, N. W.
Washington, D. C.

[Handwritten signature]
[Handwritten signature]
OCT 11 1956

Attention: Seymour J. Rubin

Gentlemen:

Reference is made to your letter of October 2, 1956 amending your letter of September 28, 1956 and suggesting procedures for handling certain of the claims filed with this Office by the Jewish Restitution Successor Organisation.

The suggestions contained in your letter looking to the disposition of many of the claims of JRSO appear to be feasible and will keep the administrative burden of this Office to a minimum. The spirit of cooperation which you and the JRSO have displayed in this matter is deeply appreciated. It is anticipated that the procedure set forth under Category 3 will be initiated as soon as the appropriate lists of JRSO claims can be compiled.

The matters dealt with in the last paragraph of your letter relating to "omnibus accounts" and "California claims" will be the subject of further discussion.

Very truly yours,

/s/ Paul V. Myron
Paul V. Myron
Deputy Director
Office of Alien Property

338258

October 2, 1956

Mr. Paul Myron
Deputy Director
Office of Alien Property
Department of Justice
Washington 25, D. C.

Dear Mr. Myron:

I refer to my letter of September 28, 1956. After discussion with your office, it is my suggestion that the following letter be taken as the JRSO proposals, in substitution for those contained in my letter of September 28.

I refer to our conversation of August 20, 1956, during which we discussed possible withdrawal of certain claims filed with the Office of Alien Property by the Jewish Restitution Successor Organization. In this connection, I refer to the memorandum dated March 6, 1956, addressed by Mr. Sehor to you, on the subject of JRSO claims, a copy of which was kindly furnished to the JRSO.

The listing contained in the reference memorandum would appear to indicate that the only accounts to which the JRSO might have a valid claim under the statute are the accounts included in categories 5 and 5(a). Having in mind the administrative desirability from the point of view of the Office of Alien Property of disposing of these claims promptly, with a minimum of administrative inconvenience, and having in mind the interest of the JRSO and the spirit of the statute that assets be preserved for charitable purposes if they are available, it is my suggestion, which I make after consultation with the JRSO, that the following procedures be employed. (I am listing our suggestions by the categories used in the March 6 memorandum.)

Category 1. Direct conflicting claims. It is agreed that the OAP may dismiss the JRSO claims whenever the OAP takes action on the conflicting claim, in any case in which the OAP either upholds the validity of the conflicting claim and orders return to the conflicting

claimant

338259

OFFICE OF EMERGENCY
[Handwritten signature]
[Handwritten initials]

MEMORANDUM

OCT 4 1956

October 3, 1956

TO: Mr. Kagan
Mr. Leavitt
Mr. Goldwater
Dr. Slawson
Dr. Segal
Mr. Boukstein
Dr. Robinson
Mr. Hyman

FROM: Mr. Rubin

SUBJECT: Letter to Mr. Myron re JRSO Claims

After discussion with the Office of Alien Property, I have agreed to the redraft of my letter which is enclosed herewith. The principal change is that instead of the OAP having to enter an individual order of dismissal in the category 3 and similar cases, the OAP will furnish us with a list of cases in which it proposes to dismiss, and we will consent to the "withdrawal" of those cases unless we have information which would indicate that this should not be done.

The net effect of this change is that technically there is a "withdrawal" instead of a "dismissal", so as to relieve the OAP of the necessity of sending us registered letters case by case, etc.

Seymour J. Rubin

Enclosure

338260

-2-

claimant or finds, as a result of action on the conflicting claim, that the individual claimant would be entitled to return were it not for disqualification by reason of enemy status or other statutory disqualification not related to ownership.

Category 2. Indirect conflicting claims. It is our understanding that these are typically situations in which there were, for example, three heirs to an estate, where one has died, and where the other two have succeeded to the claim of the third. These cases can be handled on the same basis as category (1).

Category 3. Where there are known heirs. In those situations in which the OAP is satisfied from the information contained in its records that, were the JRSO claim now brought on for hearing, and were no further evidence put in the record, an order of dismissal would be entered against the JRSO claim, it is agreed that the JRSO claim be withdrawn. The OAP will furnish the list of JRSO claims, by number, which fall into this category, and in the absence of valid objection or the submission of competent evidence in support of its claims within ten days from the date of the furnishing to JRSO of such list, JRSO agrees that the OAP will consider such claims withdrawn by JRSO.

Category 4. Where the vestee is alive. The same procedure provided for in category 3 will be used.

Category 5 and 5(a). A number of these cases have been individually investigated by the OAP through its facilities in Germany. Where the information obtained shows that the vestee is alive, or that heirs of the vestee are alive, or that the vestee is not Jewish, the same procedure outlined for category 3 will be applied.

Categories 6 and 7. Same procedure as category 3 will be used.

The JRSO believes that these suggestions, which have been designed to give maximum cooperation to the OAP, will eliminate those administrative problems of which we have been apprised. We trust that action taken pursuant to these suggestions will constitute a step toward the allocation of funds for the declared objective of Public Law 626 -- the relief and rehabilitation in the United States of needy victims of Nazi persecution.

I need hardly point out that this letter is meant to deal only with certain problems raised with the JRSO by the Office of Alien Property, and leaves entirely to one side a number of matters in which the JRSO is interested.

Substantial

338261

Substantial claims may, for example, accrue to the JRSO from the bulk of those unclaimed or heirless funds in amounts under \$500, which have not been dealt with. Moreover, the manner of concealing funds commonly in use in Europe makes it likely that there are substantial funds to which the JRSO might be entitled within the so-called omnibus accounts. As another example, the so-called "California" accounts are cases in which, though there may be a conflicting claim, resolution of the conflict may well be in favor of the JRSO. The suggestions of the Office of Alien Property as to dealing with these and similar matters in the spirit of the statute would be appreciated.

For the Jewish Restitution Successor Organization

I am

Sincerely yours,

Seymour J. Rubin

GEN. & EMERG. DEPARTMENT
The Chase Manhattan Bank *Jussel*

CABLE ADDRESS-CHAMANBANK

EIGHTEEN PINE STREET
NEW YORK 15, N. Y.
INTERNATIONAL DEPARTMENT

New  York

October 1, 1956

IN REPLYING PLEASE REFER TO

3-1-CK

American Jewish Joint Distribution Committee
3 East 54th St.
New York, N.Y.

Gentlemen:

On September 21, 1956, in accordance with instructions which we received from Brinckmann, Wirtz and Co., Hamburg, we credited your account with \$97,700.00 by order of Irso, Frankfurt.

At the time you telephoned looking for these funds, you did not know who was remitting these funds, so we checked with our bookkeepers and were informed that the amount in question was not credited to your account. However, on September 24 when we again checked with the bookkeepers they found that the above amount had been credited to your account on September 21. We also learned, that our advice of credit was incorrectly addressed to you.

Regretting the inconvenience caused you in this matter, we remain

Yours very truly,

A. F. Schaack
A. F. Schaack
Per Procurator

mv

OCT 2 1956

03378 *cd*

338263

September , 1956

Mr. Paul Myron
Deputy Director
Office of Alien Property
Department of Justice
Washington 25, D. C.

Dear Mr. Myron:

I refer to our conversation of August 20, 1956, during which we discussed possible withdrawal of certain claims filed with the Office of Alien Property by the Jewish Restitution Successor Organization. In this connection, I refer to the memorandum dated March 6, 1956, addressed by Mr. Sehor to you, on the subject of JRSO claims, a copy of which was kindly furnished to the JRSO.

The listing contained in the reference memorandum would appear to indicate that only the accounts included in categories 5 and 5 (a) are in fact accounts to which the JRSO might have a valid claim under the statute. On the other hand, certain of the accounts which are included in ~~the~~ categories may conceivably be accounts in which the JRSO may in fact have a valid claim. For example, it is not inconceivable that in certain of the accounts included in category 5, heirs of a persecutee-vestee may in fact not file claims, may turn out upon the filing of claims or further investigation to be putative but not real heirs, or may themselves be found not to have been alive as of the date of the filing of the JRSO claim or other appropriate date under the statute. Similarly, it is my understanding that in category 4, the information, while the latest available to the Office of Alien Property, may not in fact be entirely up to date. General withdrawal by categories, without even information as to which claims fall in these categories, is therefore not feasible.

Having in mind the administrative desirability from the point of view of the Office of Alien Property of disposing of those claims promptly and, to the extent possible, in broad categories, with a minimum of administrative inconvenience, and having in mind the interest of the JRSO and the spirit of the statute that assets be preserved for charitable purposes if they are available, it is my suggestion, which I make after consultation with the JRSO, that the following procedures be employed. (I am listing our suggestions by the categories used in the March 6 memorandum.)

Category 1

338264

Category 1. Direct conflicting claims. It is agreed that the OAP may dismiss the JRSO claims whenever the OAP takes action on the conflicting claim. In any case in which the OAP either upholds the validity of the conflicting claim and orders return to the conflicting claimant or finds, as a result of action on the conflicting claim that the individual claimant would be entitled to return were it not for disqualification by reason of enemy status or other statutory disqualification not related to ownership.

Category 2. Indirect conflicting claims. It is our understanding that these are typically situations in which there were, for example, three heirs to an estate, where one has died, and where the other two have succeeded to the claim of the third. These cases can be handled on the same basis as category (1).

In these above situations, the OAP obviously has to deal with the conflicting claim on a case-by-case basis. The above suggestions will make it possible to deal with the JRSO claims with no burden or delay for the OAP.

Category 3. Where there are known heirs. In those situations in which the OAP is satisfied that, were the JRSO claim now brought on for peremptory hearing, and were no further evidence put in the record, an order of dismissal would be entered against the JRSO claim, it is agreed that the JRSO claim be dismissed. The JRSO will in this situation not insist on hearings or on individual orders of dismissal, but does desire that a list of cases in which dismissal action has been taken be given to the JRSO from time to time.

Category 4. Where the estate is alive. It is suggested that the procedure for category (3) be applied.

Category 5 and 6 (a). A number of these cases have been individually investigated by the OAP through its facilities in Germany. Those cases can be discussed and handled by agreement after such discussion as the facts may warrant.

Category 6. Where the estate is not Jewish. It is suggested that the procedure for category (3) be applied.

Category 7. Where the estate is a business enterprise, not qualified for return. It is suggested that the procedure for category (3) be applied.

The JRSO believes that these suggestions, which have been designed to give maximum cooperation to the OAP, will eliminate those administrative problems

338265

-3-

problems of which we have been apprised. We trust that action taken pursuant to these suggestions will constitute a step toward the allocation of funds for the declared objective of Public Law 626 -- the relief and rehabilitation in the United States of needy victims of Nazi persecution.

For the Jewish Restitution Successor Organization.

I am

Sincerely yours,

Seymour J. Rubin

338266

MAK

EMERG

Jewish Restitution Successor Organization

270 MADISON AVENUE

New York 16, N. Y.

August 24, 1956

To: Mr. Moses A. Leavitt

From: Saul Kagan

I am enclosing a letter from Mr. Paul V. Myron, Deputy Director of the Office of Alien Property, to Congressman Klein on the subject of a possible lump-sum settlement of JRSO's claims under Public Law 626. I believe that it will be necessary for us to get together in the very near future to decide whether we should modify our approach and press for legislation which would provide a specific payment to the JRSO on account of heirless Jewish property without it being tied to any specific claims. Preparation in that direction will have to start soon after Labor Day. We are safe in assuming that most of the key people in Congress, whose help we will require, will be returning after November.

I will be in touch with you concerning a convenient date for a meeting on this subject.

Sincerely yours,

Saul Kagan

SK:mc
enc.

MEMBER ORGANIZATIONS

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 . CONSUL 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 U. S. ZONE OF GERMANY . ANGLO-JEWISH ASSOCIATION

OPERATING AGENTS

JEWISH AGENCY FOR PALESTINE . AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. . JEWISH CULTURAL RECONSTRUCTION, INC.

338267

C O P Y

CONGRESS OF THE UNITED STATES
House of Representatives
Washington, D. C.

August 15, 1956

Seymour J. Rubin, Esquire
1832 Jefferson Place, N. W.
Washington 6, D. C.

Dear Mr. Rubin:

I enclose herewith copy of a letter received from
Paul V. Myron, Deputy Directory of the Office of Alien Property
in reply to my letter of July 11 addressed to Dallas S. Townsend.

I would appreciate your comments, if any.

With kind regards, I am

Sincerely yours,

/s/ Arthur G. Klein
Arthur G. Klein
Member of Congress

AGK:em/af
Encl.

338268

C O P Y

August 10, 1956

Honorable Arthur G. Klein
House of Representatives
Washington, D. C.

Dear Congressman Klein:

In the absence of Col. Townsend, I am replying to your letter of July 11, 1956, with regard to the heirless property claims filed with this Office by the Jewish Restitution Successor Organization (JRSO). I very much regret the delay in responding to your letter. It has been occasioned by our attempt to obtain data on which to base an estimate of the amount of funds which JRSO will obtain under the provisions of Public Law 626, 83d Congress.

The legislative history of Public Law 626 begins with a bill generally embodying its provisions (S. 2764) which passed the Senate in the 80th Congress. That bill contained no limitation on the amount of returns of heirless assets which could be made under its provisions. A similar bill (S. 603) passed the Senate in the 81st Congress. The committee report which recommended its passage stated that there was no definite information as to the amount of vested property which would be affected but estimated that it would range between \$500,000 and \$2,000,000. The House Committee on Interstate and Foreign Commerce reported S. 603 favorably with an amendment limiting the amount of returns to \$3,000,000. In the 82d Congress a bill (S. 1748) containing the \$3,000,000 limitation was reported to the Senate but was not acted upon. S. 2420, 83d Congress (which became P. L. 626) was passed by the Senate without the \$3,000,000 limit. That figure was again added by the House Committee on Interstate and Foreign Commerce and was accepted by both houses of Congress.

At no time during the consideration of the various measures described above did there appear any definite information in regard to the amount of vested property which might prove to be heirless. Furthermore, there appears to be no basis for the use of a \$3,000,000 figure other than the fact that it was deemed beyond question to be in excess of the amount of heirless vested property.

After the enactment of an amendment to the Trading with the Enemy Act in 1946 authorizing the return of vested assets to persecutees of the Nazi regime despite their technical enemy status, this Office took great pains to avoid vesting the property of such persons. As a result, it has always been apparent to this Office that the amount of property subject to the provisions of heirless assets legislation would be quite small. This Office has so informed representatives of JRSO from time to time beginning with the earliest discussions looking to the designation of JRSO as a successor organization after the enactment of Public Law 626.

Originally JRSO filed a total of approximately 7,000 claims with this Office. Subsequently that organization filed a list of those of the claims which it asserted to be within the non-adverse or non-conflicting category. This list, as modified slightly, contained only 4,137 names. This Office has made a careful survey of its files with respect to these particular claims. As a result of this survey it was determined that in only 15 cases did it affirmatively appear that JRSO's claims might be allowable. In another 793 cases there was no information concerning the person whose property was vested or his heirs. In all but these two categories of 808 cases, favorable action on JRSO's claims appears to be completely ruled out. The 808 cases involve assets worth approximately \$866,000.

338269

- 2 -

This Office has referred the list of 808 cases to its Overseas Section in Germany with instructions to attempt to determine whether the prevesting owners are alive and if not whether (1) they were persecutees, and (2) they left heirs. In 407 of the cases the last known address on our records is in West German territory. The Overseas Section transmitted the names of these 407 cases to the International Tracing Service in Germany which has fairly complete records on persons who were in concentration camps. That organization was able to make tentative identifications in only 35 of the cases. In two of these 35 cases the identifications are fairly positive, in five others, possible, and in the remaining 26 even less certain.

In another 33 of the cases the last known address is in Berlin. An investigator of the Overseas Section in that city has identified 12 of the 33 vestees as being alive. He has located the heirs of nine deceased vestees. He has found a Nazi party membership record for another of the vestees and has learned that still another left Germany for Guatemala before World War II. His investigation in another case has developed no information. He is continuing his investigations in the remaining nine cases. I might add that similar investigations will be made as rapidly as possible by the Overseas Section in the above mentioned 407 cases with West German addresses.

It is obvious from the data already obtained in Germany that only a handful of the JRSO claims under Public Law 626 will ultimately prove allowable and that only a relatively insignificant amount of money will be payable to that organization. Accordingly, you will appreciate the fact that this Office cannot, by any administrative determination which is based on available evidence, make a "substantial payment" of the nature indicated in the first of the two questions set forth in your letter.

In response to your second question, please be advised that a transfer to JRSO of \$750,000 would seem to be a matter of policy for the Congress to consider. This Office would have no objection to legislation providing for the payment of this sum if it were not related to section 32 of the Trading with the Enemy Act and tied to the assets of specific vestees, as is the case with Public Law 626. In this connection you may wish to consider the War Claims Fund as a source for the funds to finance such a payment.

Sincerely yours,

Paul V. Myron
Deputy Director
Office of Alien Property

338270

December 20, 1975

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

Dear Sy:

This will refer to our discussion concerning the Bulk Settlement of JRSO claims under Public Law 626 and the preparation of material in support of our proposal which we reviewed last Friday. Accordingly, please find five copies of the following documents:

1. The text of the proposed Bulk Settlement Bill of our P.L. 626 claims.
2. A summary statement setting forth in highlight form the principal arguments in support of the Bill.
3. A memorandum explaining in detail the reasons for our Bulk Settlement proposal and the factual situation based on our experience during 1975.

I believe that we have now marshalled the principal arguments in favor of the Bulk Settlement. There remains only the "minor" question whether our arguments will be as persuasive to the members of the Congress as they are to us. We will need all the help we can find.

Cordially yours,

Saul Eagan

cc: Mr. M. Boukstein
Mr. B. Ferenon
Dr. I. Goldstein
Mr. M. Goldwater

Dr. E. Hevesi
Mr. J. Jacobson
Mr. H. Leavitt
Dr. H. Robinson

338271

84 th CONGRESS
2 nd Session

S. _____

IN THE SENATE OF THE UNITED STATES

A BILL

To amend the Trading with the Enemy Act, as amended, so as to allow bulk settlement of certain claims by successor organizations to heirless or unclaimed property.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
That Section 32 (h) of the Trading With the Enemy Act, as amended, is further amended by adding at the conclusion thereof:

"The President or such officer as he may designate is authorized and directed to settle claims presented by a successor organization previously designated pursuant to this subsection by payment of an amount not less than \$2 million nor more than \$3 million. Determination of such amount shall be made by the President or such officer as he may designate not more than six months after the effective date of this Act. Such determination shall be made upon the basis of hearings at which such designated successor organization shall have the right to appear and to present evidence, and such determination shall be final."

338272

SUMMARY STATEMENT CONCERNING HEIRLESS PROPERTY CLAIMS
UNDER PUBLIC LAW 626

The attached bill proposes an amendment to the Trading with the Enemy Act, as amended, which is necessary to attain the objectives established as United States policy by Public Law 626, 83rd Congress, 2nd Session. It provides authority for a swift bulk settlement of claims relating to the property in the United States of persecutees under Hitler who perished without heirs.

The property in the United States of enemy nationals is generally vested under the Trading with the Enemy Act. The Congress has long recognized, however, and has made legislative provision, that persons who were persecuted for religious, racial or political reasons were a special category, and were entitled to return of their property.

This principle, however, could not be applied to "heirless or unclaimed" property. That property belonged to persecutees - but they and their known relatives perished in the holocaust that engulfed six million Jews during the years of Hitler's power.

The United States did not want to retain this property. It felt that the victims would have wanted it - or its proceeds - to be used for the relief of needy survivors of persecution. In Public Law 626, 83rd Congress, 2nd Session, the Congress thus set up a procedure under which a successor organization, designated by the President of the United States, could claim this heirless property. Under stringent safeguards - including the assurance that all of the proceeds, without deduction of administrative expense, would go to the victims - this organization was to claim, liquidate and distribute the property for charitable use. The Jewish Restitution Successor Organization (JRSO), a New York membership corporation, was designated by President Eisenhower in January 1955.

The JRSO has now filed almost 7,000 claims to property. Of these claims, some 4,558 involve cases in which there is no conflicting claim of any sort. The amounts in these claims vary enormously - from a few dollars to upwards of a hundred thousand dollars. Ascertainment of basic facts about them is an almost insuperable task. Addresses are missing. Where addresses are known, the original owners and all of their relatives have often vanished during the nightmare of persecution. Even using the best available records - those of such organizations as the International Tracing Service, for example - basic data cannot be found, or is incomplete.

338273

- 2 -

This situation poses a basic problem: how is the will of Congress to be carried out, and the proceeds of heirless property in the United States used for the intended relief purposes in the United States? It is clear that, without a new approach, the claims of the JRSO will take years to process, and will impose an intolerable burden on both the government and this charitable organization.

A bulk settlement of these claims, based on the best available statistical data, is the only answer. The attached bill provides for such a bulk settlement.

The bulk settlement principle has been explored with the Administration. It is agreed that it would save endless time and effort. The techniques used in the statistical appraisal have been worked out, and checked step-by-step, with the Administration, though the actual estimates are of course the responsibility of the JRSO. A floor of \$2 million and a ceiling of \$3 million (as already provided in P.L. 626) are contained in the proposed bill.

Heirless property use for relief purposes has always enjoyed strong bipartisan support. (Bills on heirless property have been submitted by Senators Taft, McGrath, O'Connor, Dirksen, Hennings and Langer, and by Representatives Crosser and Wolverton). Bulk settlements have, in Germany, been strongly supported by the United States and have proved an effective technique for ensuring maximum use of funds for charity. The attached bill fits within these principles. It is urged as necessary to carry out the intent of the Congress as expressed in Public Law 626 - that the property in the United States left by victims of persecution who died without heirs be used, as quickly as possible, for the relief of those who survived, but are now impoverished, ill, and in want.

338274

- 10 -

tained in the proposed legislation for similar practical administrative reasons. It is clearly to the interest of the Government, of the charitable organizations involved, and of the surviving persecutees who are now in the United States and who are dependent upon public or private charity, that the intent of the Congress to provide substantial funds be carried out as quickly as possible and with assurance that these funds will reach the intended beneficiaries. This the proposed bill is designed to effect.

The text of the amendment proposed by the J.R.S.O. has previously been submitted to counsel for this Subcommittee, to the Office of Alien Property, and to the Department of State. It will enable the original purpose of the Congress in enacting Public Law 626 to be carried out. The enactment of this bill will result in funds expeditiously and without a tremendous burden of administration coming into the hands of agencies which can use them for actual and direct relief and rehabilitation purposes, as was originally contemplated by the Congress. This Bill is being presented in the belief that it is good for the Government, good for the charitable and relief organizations which are concerned, and good for the intended beneficiaries. The Congress has declared that the funds left in the United States by those who perished in the Nazi concentration camps should be used for the benefit of surviving victims who are now in the United States and are needy. Therefore measures should be taken to ensure that this intention is carried out and that these funds are made available while the intended beneficiaries are still alive to receive their benefit. And it seems entirely appropriate that action should be taken to ensure this result at a time when, in one form or another, legislative action is likely to be taken for the relief of German and Japanese claimants. The most limited proposal for the return of enemy assets as envisaged in the Administration Bill S. 2227 is estimated by the Department of State to involve about \$60 million.

Attached is the text of the proposed bill.

338275

WTA

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

270 Madison Avenue
New York 16, N. Y.

December 1, 1955

TO: JRSO Executive Committee
FROM: Saul Kagan

I am enclosing herewith for your information a copy of a statement presented by Mr. Rubin to the Senate Subcommittee, in favor of an amendment to the Trading With The Enemy Act permitting bulk settlement of JRSO claims under Public Law 626.

Saul Kagan

338277

Statement before the Subcommittee on the Trading With
the Enemy Act of the Senate Committee
on the Judiciary

My name is Seymour J. Rubin. I am an attorney with offices in the District of Columbia, a member of the law firm of Landis, Cohen, Rubin and Schwartz, and I appear here as Washington counsel for the Jewish Restitution Successor Organization. I would like to urge upon this Committee legislation which has been drafted in the form of an amendment to the Administration bill, S. 2227, but which can stand on its own footing.

Basically, this is a proposal to amend the provisions of Public Law 626 of the 83rd Congress, Second Session. That law, which is now found as Subsection (h) of Section 32 of the Trading With the Enemy Act, put into effect as internal United States legislation a policy which the United States had long followed in its international relations. That policy was that heirless property which belonged to persons who had been persecuted by the Nazis in Germany or in occupied Europe for political, racial or religious reasons should be utilized for the benefit of the surviving members of that class of persecutee to which the deceased owner had belonged.

During the Nazi regime in Europe, some 6 million Jews perished. Their property, as well as the property of those who managed to survive the Nazi holocaust, had been confiscated in one form or another by the Nazi authorities. One of the first acts of the Allied forces in Europe was to rescind the old Nazi laws and to put into effect restitution procedures which would restore their properties to those persons who survived or to their legitimate heirs. Military Government Law 59 in the American zone of Germany was an early example of the implementation of this policy. It served as the model for other similar laws in the other Western zones of Germany. Moreover, its principles have been continued, and to a certain extent expanded, in connection with the Contractual Agreement which forms one of the constitutional documents for the Bonn Government.

It was obvious from the outset, however, that vast amounts of property, which had been taken mainly from the Jews, but also from various other categories of persecutees, could never be recovered by individual claimants. The reason was that these individual claimants had perished in Buchenwald and Bergen-Belsen and the other concentration camps erected by the Nazi regime. Moreover, the Nazi policy of extermination was so thorough that vast amounts of

property would be unclaimed even by heirs, since whole families had been wiped out. Military Government Law 59 therefore provided a mechanism by which this heirless property could be claimed and collected by a charitable organization under procedures which ensured that the proceeds of this property would be used for a fundamental objective of the Allied nations -- the relief and rehabilitation of those who had formerly been persecuted.

The organization which was designated by General Clay under Military Government Law 59 to collect the Jewish heirless properties was a New York charitable membership corporation known as the Jewish Restitution Successor Organization. This organization was founded by a cooperating group of well-established and responsible Jewish organizations in the United States. It had as its objective the filing and the processing of claims for Jewish heirless property. It was accredited to the American occupation forces, was recognized as performing a task which was basic to the Allied occupation of Germany, and cooperated closely -- as it still does today -- with the American authorities in Germany.

It was logical, therefore, that the Congress of the United States should take cognizance of the similar, though much smaller, problem of heirless property here in the United States. Immediately after the war, the Congress had unanimously passed legislation amending the Trading With the Enemy Act and providing that political, racial or religious persecutees could obtain return of their property which had been vested here in the United States by the Alien Property Custodian, even though they were technically "enemy". (In most cases, of course, these persons were in fact stateless.) An individual who was fortunate enough to survive the Nazi regime, and who had been persecuted, could therefore apply to the Alien Property Custodian for return of his property and get that property back. But a substantial number of persons who would have been eligible claimants, and who had property in the United States, had perished, together with their entire families, in Nazi Germany or in the Balkan satellites. It seemed logical, therefore, that the action which had been taken by the United States -- and by the other Allied authorities -- in Germany in regard to heirless property should serve as the model for action with respect to heirless property here in the United States. Legislation incorporating this proposal was put forward in several successive Congresses, always on a bipartisan basis and with the support of such distinguished Senators as Senators Taft, McGrath and O'Connor. It should be noted that this

legislation was first introduced in 1948, three years after the end of World War II. It was the conviction of the distinguished sponsors of this legislation seven years ago that this matter must be handled with dispatch in the interest of the surviving victims of Nazi persecution.

In the 83rd Congress, a bill to this effect was sponsored by Senators Hennings, Dirksen and Langer, and that bill became Public Law 626, to which I have previously referred. Public Law 626 established the principle that heirless property found in the United States should be used, under strict standards laid down in the legislation, for relief and rehabilitation of the surviving category of persecutees. I need not go into the details of that legislation; but it is indicative that the legislation provides that no portion of the funds to be made available to a successor organization under Public Law 626 is to be used for administrative or legal expenses. Reports are to be made to the Congress and every safeguard is present to ensure that the totality of the funds will be used within the United States for the relief of deserving, needy persons.

The legislation required the designation of a successor organization which would be charged with the quasi-public duty of carrying out its provisions. In January of 1955, President Eisenhower issued an Executive Order designating the Jewish Restitution Successor Organization as the successor organization under Public Law 626. Since that time, the Jewish Restitution Successor Organization has been engaged in the monumental task of attempting to ascertain the nature and extent of the heirless property in the United States, to file claims within the time limit provided in the law -- which by the time of issuance of the Executive Order had been narrowed to six months-- and to devising a method in cooperation with the Office of Alien Property of the Department of Justice for the expeditious and speedy processing of these claims.

I do not wish to take more of the time of this Subcommittee than is necessary in detailed explanation of the procedures which have so far been devised, but I think some brief outline of them is necessary to an understanding of the present problem. The Jewish Restitution Successor Organization was faced with the fact that no one -- no private individual and no Government office -- had any lists, records, or organized sources of information available which would indicate which were the properties or interests which,

under the law, the Jewish Restitution Successor Organization was entitled and in duty bound to claim. Procedures therefore had to be devised. On request, the Office of Alien Property provided a list to the Jewish Restitution Successor Organization. This list contained the names found in all of the vesting orders issued -- some 44,000 of them -- by the Office of Alien Property during the years of its existence since World War II. Experts then carefully examined these lists and, from their knowledge of European communities and nomenclature, and in some cases from direct knowledge, put together another list containing those names which were distinctively Jewish. This acknowledgedly rough material was then subjected to the series of refining processes. First, the Office of Alien Property went through the lists and checked off those names as to which title claims -- that is, claims for return of the property -- already existed. Quite clearly, except in those cases in which the claim might be disallowed, these names did not represent assets to which the Jewish Restitution Successor Organization could properly lay claim, since it can, in any case, ask for the return to it only of unclaimed property. The Jewish Restitution Successor Organization then filed, as putative successor under Public Law 626, thousands of claims, which in general -- though not entirely -- reflected those names as to which no conflicting title claim was pending. This was a monumental task, which had to be completed by mid-August, 1955.

Subsequent to the filing of these claims, the Jewish Restitution Successor Organization again engaged upon a refining process. It undertook to re-examine and analyze its lists, in order to withdraw all of those claims which appear to be not well-founded. In this process, some thousands of claims have been withdrawn.

There are now on record and docketed with the Office of Alien Property some 6,899 Jewish Restitution Successor Organization claims. Of these, there is no conflicting claim in 4,558 cases, and there is an adverse title or debt claim in 2,341 cases. It should be pointed out that for present purposes it has been necessary to lump together adverse title and debt claims, so that it may be presumed that even in the latter category of cases some values will accrue to the Jewish Restitution Successor Organization, assuming, as seems reasonable, that debts against vested assets do not in all cases come to 100 percent of the value of those assets.

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The above recital is, we believe, sufficient to indicate the absolute necessity of legislation which would permit and direct the Office of Alien Property to work out a bulk settlement of these claims with the Jewish Restitution Successor Organization. In the absence of a bulk settlement, the Jewish Restitution Successor Organization -- which by statute is prohibited from debiting any of these funds to its administrative expenses -- would have to process at least 4,500 individual claims. The ordinary claimant has difficulty enough in assembling proofs and evidence. And he, it will be remembered, knows what property he is claiming, what his proofs are, where the property was located in the United States, what bank held his deposit, etc. In almost no case is the Jewish Restitution Successor Organization in possession of this kind of basic information at the outset. To the extent that such information is at all "available", it is likely to be in governmental files, which for one reason or another bear a security classification, and therefore may not be open to the Jewish Restitution Successor Organization. Ascertaining the facts and assembling the proofs in thousands and thousands of cases, where by definition the original owners and their entire families are dead and vanished, their records generally burnt or destroyed, is an administrative and practical task of such magnitude as to stagger the imagination. It is so great a task, in fact, that it seriously jeopardizes the clear objective which the Congress sought in enacting Public Law 626 -- the provision of heirless funds, speedily and without deduction of any kind, for the relief of surviving, needy persecutees now in the United States. It is certain that the sponsoring Senators and the Congress did not anticipate the enormity of this Administrative task when Public Law 626 was enacted.

Moreover, the processing of this vast number of claims would throw an intolerable burden not merely on the Jewish Restitution Successor Organization, but also on the Office of Alien Property. Even on the basis of the Office of Alien Property's present workload, it would be years before it could process this volume of claims. Should legislation be passed by the next session of Congress which provides for a program of partial or other returns to former enemy owners, the burden on the Office of Alien Property will be increased. Under these circumstances, if the purposes of Public Law 626 are to be attained, a bulk settlement of the Jewish Restitution Successor Organization claims is a necessary amendment to the Trading With the Enemy Act.

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There is ample precedent in heirless property matters, for bulk settlements. Bulk settlements have in fact been worked out by the Jewish Restitution Successor Organization with the various German laender -- that is, German states -- in the American zone of Germany and in Berlin. These bulk settlements have had the enthusiastic endorsement and support of the United States Government, of the Bonn and laender governments, and of all interested in achieving relief and not in shuffling papers. They provide a method for cutting through what would otherwise be years of expensive processing of thousands of individual claims.

A bulk settlement, of course, must be worked out on the basis of estimates. Estimates, however, are infinitely to be preferred to a long drawn out and highly expensive procedure which can result only in the building up of enormous administrative expenses which would have to be borne by the charitable funds -- not to neglect the appropriation of substantial amounts which would have to be provided to the Office of Alien Property so that it could process these thousands of individual claims.

The Jewish Restitution Successor Organization has therefore worked out step-by-step procedures which will minimize the risk of error in the preparation of the necessary estimates upon which a bulk settlement can be based. It has discussed these plans with officials of the Executive and Legislative Branches in order to make them as careful and the results as accurate as possible. I should like to take a few moments to describe these procedures.

I have already pointed out that there has been a very careful winnowing of the claims on file before the Office of Alien Property, with the result that there are 4,558 of what we may call clear claims -- that is, claims as to which there is neither an adverse title claim nor any debt claim pending. In addition, one must, of course, reckon with the 2,341 claims of the Jewish Restitution Successor Organization where there is some adverse title or debt claim; and one must also take into account the possibility that the so-called omnibus accounts of Swiss or other banking institutions may contain substantial amounts of heirless property.

The Jewish Restitution Successor Organization does not assume that all of the claims on file by it represent heirless property. Clearly, if the property covered by these claims was Jewish, and if there is no adverse claim, the property is heirless and unclaimed. Persecutees or their heirs have had

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have had the right since 1946 to file individual claims for the return of their property. If they have not done so, the presumption is inescapable that the property is heirless -- a presumption recognized, in fact, in Public Law 626. In this connection, it may be pointed out that Public Law 626 provides that individuals who in fact have survived or heirs of such individuals may within a period of two years apply to the successor organization and obtain return of their assets if the successor organization has claimed those assets on the assumption that they are deceased. These provisions, which the Jewish Restitution Successor Organization would, of course, apply in the event of a bulk settlement, amply protect any individual claimant.

The basic problem which confronts both the Government and the Jewish Restitution Successor Organization is to find out how many of the claims thus on file represent persecutee property. In order to do this, the Jewish Restitution Successor Organization has taken an entirely random sampling of the claims. This sampling was made entirely on the basis of the chance occurrence of addresses in the material made available to the Jewish Restitution Successor Organization by the Office of Alien Property. In other words, if the Jewish Restitution Successor Organization had the address of the putative persecutee in such a way as to make investigation possible, that name was included on a list, and the list was sent to Germany for investigation. The investigators were instructed to look at birth records, land records, the church or Jewish community records, the records of the International Tracing Service -- anything which would indicate whether the person in whose name the claim had been filed by the Jewish Restitution Successor Organization as successor was or was not a persecutee, was or was not alive, did or did not have heirs, etc.

The intensive work which has already been done in this connection has served to dramatize the difficulties which the Jewish Restitution Successor Organization and the Government face in determining the facts. The tremendous disruption which occurred in Germany as a result of many factors is the basic cause for these difficulties. In the case of persecutees, people were, of course, shifted from one part of Germany to another and ultimately to concentration camps. Persecutees were deported, sent to work in some cases in concentration camps or elsewhere, and records were extensively destroyed by bombardment and by damage resulting from the war. In many cases, all of the birth records or other public records of entire cities were completely destroyed during the course of the war. The investigation has therefore disclosed

that in a great many cities the names and addresses of people whose assets were vested by the Office of Alien Property, and whose addresses as given in the vesting orders were the last known addresses in Germany, have completely disappeared so far as any present search can indicate. It is clear, of course, that a great proportion of those who have disappeared entirely were persecutees, since the normal German resident, or members of his family, will have reappeared in some of the current records of the German city in which such residents previously lived. I would like to call attention to the fact that only 3% of the pre-Hitler Jewish population of Germany still reside there today. The task of tracing from presently available records -- whether those are the old records as they have survived or new records created since the war -- thousands of probable persecutees is one of such enormous complexity and presents difficulties of such magnitude as to be almost insuperable. Particularly in the case of those persons who appear to be Jewish, these records are in many cases entirely missing. In addition, it will be recalled that Public Law 626 provides for utilization of all vested assets of persecutees for the charitable purposes of the law, and that this includes assets of persons in such countries as Rumania, Bulgaria and Hungary. In the case of those countries, the Nazi destruction of the Jewish population was tremendous; but under present circumstances the existence of the iron curtain makes it impossible to do any checking whatsoever.

Under the best of circumstances, the tracing of thousands of names would present administrative difficulties of the highest order. Under these special circumstances, the task is, as I have said, almost insuperable. Making the best estimate which can be made on the basis of these eminently unsatisfactory and difficult data, we feel that at least 50 percent of the claims which have been filed by the Jewish Restitution Successor Organization with the Office of Alien Property do conservatively represent legitimate heirless property claims. This estimate is based on ability of the Jewish Restitution Successor Organization in some cases actually to establish the

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represent property to which under Public Law 626 the Jewish Restitution Successor Organization is entitled. We are then faced with the problem of determining what the average value of the Jewish Restitution Successor Organization claims is.

Here we have the benefit of some statistical material which has been prepared on three separate occasions and by two separate sets of people.

In 1950 -- before passage of Public Law 626 -- an analysis was done in New York from vesting orders which at that time were available in the New York office of the Office of Alien Property.

Closely examined were 155 vesting orders, against which no title claims were pending. Thirty of these orders covered properties which are part of estates. These cases had an average value of \$3,000 with a high of \$14,000 and a low of \$100. The majority of the J.R.S.O. claims have been filed for assets in this category. The balance of 125 vesting orders covered a variety of assets not pertaining to estates, which were found to have an average value of \$2,700 per order.

Independently from the aforementioned survey -- but utilizing information on individual case values prepared at that time -- 177 claims filed by the J.R.S.O. were recently analyzed. These were all claims filed by the J.R.S.O. under Public Law 626 on which -- as a result of the work done in 1950 -- value figures were available. In these cases, a total value was found of \$202,014.06. This came to an average value per claim of \$1,141.32.

The Office of Alien Property itself checked the first forty J.R.S.O. claims in which the case files were sufficiently complete to permit analysis. The average value per claim was over \$3,000. This limited Office of Alien Property sampling includes one property of over \$120,000, which lifts what I may call -- without suggesting that it has been adopted by the Government --- the Office of Alien Property average. But in any case it appears safe to assume that the value of the average J.R.S.O. claim is over \$1,000. 338286

One may take at least 50 percent of the 4,558 clear Jewish

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debt claim, but in which there is undoubtedly a considerable surplus value to which the Jewish Restitution Successor Organization would be entitled. In addition, there are the amounts which are involved in the so-called omnibus accounts. These, as I have mentioned, are accounts held through Swiss or other banks. A certification procedure was put into effect with respect to these accounts some years ago which allowed legitimate claimants to come forward and to obtain the release of their properties held in these accounts. Some portion -- although admittedly the figure is indefinite -- of the amounts which remain uncertified and therefore still in the hands of the Office of Alien Property must necessarily represent heirless assets, though, of course, a considerable amount may represent other types of property.

In addition, I have not included in these figures the amount involved in the so-called von Clemm claim. Here we have over \$900,000 worth of diamonds, assertedly obtained from the infamous Diamond Kontor of Berlin, whose sole function was the disposal of diamonds looted from Jewish persecutees. This claim is presently before a hearing examiner of the Office of Alien Property, and the Jewish Restitution Successor Organization has presented its claim and will present evidence during the course of the hearing. Official reports of the United States High Commissioner in Germany will show that the Diamond Kontor existed for the purpose of disposing of looted gems.

The Jewish Restitution Successor Organization has therefore suggested an amendment which will authorize and direct the settlement of its claims by payment of an amount to be not less than \$2 million nor more than \$3 million. The \$3 million ceiling was incorporated in Public Law 626 in order to ensure that amounts payable to the Jewish Restitution Successor Organization would not exceed the financial availabilities out of assets and funds within the hands of the Office of Alien Property. We suggest that the \$2 million floor is equally appropriate. Obviously, a tremendous amount of administrative work has already been done, some of which has been indicated in the previous portions of my present statement. A substantial amount of

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which it may receive under Public Law 626 and those which it receives from other sources, but which are devoted to similar relief and rehabilitation work. It would not be appropriate, nor do we think that it would be in accordance with the clearly expressed intent of the Congress, to require that this tremendous amount of work be done without a guarantee of some substantial funds being available. Just as the ceiling of \$3 million was inserted for practical administrative reasons, without regard, in effect, to the possibility that the claims might exceed that amount, and was accepted on that basis, so the suggested \$2 million floor ought be contained in the proposed legislation for similar practical administrative reasons. It is clearly to the interest of the Government, of the charitable organizations involved, and of the surviving persecutees who are now in the United States and who are dependent upon public or private charity, that the intent of the Congress to provide substantial funds be carried out as quickly as possible and with assurance that these funds will reach the intended beneficiaries. This the proposed amendment is designed to effect.

The text of the amendment proposed by the Jewish Restitution Successor Organization has previously been submitted to counsel for this Subcommittee, to the Office of Alien Property, and to the Department of State. We feel that it will enable the original purpose of the Congress in enacting Public Law 626 to be carried out. We feel that it will result in funds expeditiously and without a tremendous burden of administration coming into the hands of agencies which can use them for actual and direct relief and rehabilitation purposes, as was originally contemplated by the Congress. And we feel that this amendment is good for the Government, good for the charitable and relief organizations which are concerned, and good for the intended beneficiaries. The Congress has declared that the funds left in the United States by those who perished in the Nazi concentration camps should be used for the benefit of surviving victims who are now in the United States and are 338288

return of enemy assets as envisaged in the Administration Bill S.2227 is estimated by the Department of State to involve about \$60 million.

Attached to my statement there is a text of a proposed amendment, which, on behalf of the Jewish Restitution Successor Organization -- and, I think I can also say, on behalf of all those interested in the welfare of these surviving victims of Nazi persecution -- I earnestly commend to the sympathetic attention of this Subcommittee and of the Congress.

Thank you for your attention and for your time.

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Proposed Amendment to the Trading with the Enemy Act.

Section 32 (h) of the Trading With the Enemy Act, as amended, is further amended by adding at the conclusion thereof: "The President or such officer as he may designate is authorized and directed to settle claims presented by a successor organization previously designated pursuant to this subsection by payment of an amount not less than \$2 million nor more than \$3 million. Determination of such amount shall be made by the President or such officer as he may designate not more than six months after the effective date of this Act. Such determination shall be made upon the basis of hearings at which such designated successor organization shall have the right to appear and to present evidence, and such determination shall be final."

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JEWISH RESTITUTION SUCCESSOR ORGANIZATION

ANNUAL REPORT

November 1, 1954 - November 1, 1955

JRSO activities during 1955 were divided into three distinct areas. In the former U.S. Zone of Germany a few major problems remained, but basically JRSO was engaged in a liquidation operation - disposing of accumulated real estate, collecting outstanding accounts, dealing with belated individual claims, settling residual claims, legal or financial questions, closing offices and reducing staff. In Berlin JRSO, acting for the British and French successor organizations, continued its determined drive to effect a bulk settlement with the city while pursuing without abatement the increasingly difficult task of settling restitution claims on a case by case basis. In the United States the JRSO took on a new responsibility in an attempt to recover heirless Jewish property vested by the United States Alien Property Custodian.

I. JRSO In the U.S. Zone of GermanyA. Settling residual claims

A limited number of claims still require the attention of JRSO lawyers. These are primarily claims for former community properties which were excluded from the bulk settlements. From the date of the last Annual Report to October 1, 1955, sixty such settlements were made in the U.S. Zone involving cash receipts of over half a million DM. In addition eighteen pieces of property with an estimated value of over seven hundred thousand DM were recovered.

Even where bulk settlements were made years ago, problems of interpretation continually arise. There are accounting questions concerning specific items which were transferred or where adjustment is required. In Bavaria for example, over three hundred thousand DM is being withheld from the bulk settlement sum since new court decisions or new legislations may divest the state of a group of claims it acquired from the JRSO. Relatively minor adjustments also continue with the other states and it is, therefore, essential that the files be maintained and that experienced personnel be available to deal with the questions raised. There are complex problems of taxation in connection with assets transferred subject to contingent liabilities which cannot be quickly settled. These problems diminish with time.

B. Final agreements with the Jewish communities in Germany

At the time of the last Annual Report three communities in the U.S. Zone had still not signed agreements with the JRSO for the division of former community and organizational property. During the year all of these agreements were completed. There have been a number of relatively minor problems where communities without any possibility of making a legal claim have turned to the JRSO for special assistance. Such requests were dealt with on the merits in closest collaboration with the American Joint Distribution Committee

representatives in Germany.

The Zentralwohlfahrtsstelle and the Zentralrat have, however, come forward with additional demands against the JRSO and the other successor organizations. Mr. Jerome J. Jacobson, General Counsel of the AJDC, and Dr. Van Dam, Secretary General of the Zentralrat have reviewed the demands of the Jewish communities in Germany against the successor organizations and have prepared a draft agreement intended to provide an overall settlement of these problems. According to this draft proposal, the JRSO would grant DM 1 million, as well as 50% of sums recovered by the JRSO for the destruction of communal property to a special trust fund for community purposes. The latter amount is, however, not to be less than DM 3 million. The proposal is presently under consideration and no official position of the communities has yet been received.

C. Property administration and sales

During the year the JRSO sold 37 pieces of property in the U.S. Zone for an amount of DM 1,850,000 of which over DM 1,500,000 was in cash. As of October 1, the JRSO still had title to 38 pieces of property with an estimated value of DM 1 million most of which was being claimed by former Jewish owners or their heirs. There is a rising market for real estate in Germany and it is not anticipated that the JRSO will encounter any serious problems in disposing of properties of any real value.

In addition to administering the properties on hand, the JRSO holds title to over 300 cemeteries in areas where no Jewish communities now exist. Modest sums have been spent to make periodic inspections of these resting places and to make the most urgent repairs.

D. Board of Equity Claims

Late claimants who had missed the 1948 deadline for filing claims continued to apply to the JRSO for equity during 1955. At the beginning of the year over 400 such claims were pending. During 1955 over 500 new claimants requested the JRSO to hand over the restituted property or the cash equivalent. This was a substantial increase over the 300 new claimants who appeared during 1954.

The equity department was able to grant about 500 of the pending petitions either by surrendering what the JRSO had recovered minus a service charge, or in a few cases by assigning the still pending claim or transferring the property itself. Over one and a half million DM was paid out in this manner from October 1954 to October 1955.

Over 300 applications are still pending and additional claims continue to be made. In order to appraise the claims it is essential that the old files be retained intact and in most cases that new investigations be made. Inquiries about the financial circumstances of the applicant in order to ascertain his eligibility as a hardship case have often encountered resentment and opposition.

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In view of the determination of the JRSO to end its operations at the earliest opportunity, consideration is being given to finding some appropriate means of dealing with equity cases in the future. Specific proposals will be presented to the Executive Committee.

E. Closing offices and reducing staff

The following table indicates the history of the JRSO staff in the former U.S. Zone of Germany:

<u>Year</u>	<u>Local Staff</u>	<u>Allied Supervisors</u>
1949	425	10
1950	275	15
1951	210	20
1952	182	11
1953	68	8
1954	42	6
1955	14	2 (plus 4 part-time only)

During the year the Nuernberg and Mannheim offices were formally closed and all JRSO activities in the U.S. Zone were concentrated in one small office in Frankfurt. The small remaining staff deals with the accounting, equity and residual problems. This constitutes a hard core which cannot be drastically reduced until JRSO activities completely cease. Wherever possible, in order to retain the experience of JRSO personnel and keeping them fully occupied, there has been a merger of JRSO staff and functions with similar activities carried on by the United Restitution Organization. Costs have thereby been reduced and the arrangements made have been satisfactory to all concerned.

II. Berlin

A. Regular Business

In the course of its regular business during the year the Berlin office, acting for all three successor organizations, won or made cash settlements in about 1,500 cases. This, coupled with the sale of about 40 pieces of property, brought in about DM 3 million plus another half million in accounts receivable. In addition, over 100 pieces of property were recovered with an estimated value of over DM 3 million bringing the total of properties being administered by the office to over 250. Many of these properties are being claimed by the former owners or their heirs, but until transfer can be made responsibility rests with the JRSO.

During the year the JRSO continued to withdraw claims where it was apparent that there were no prospects for recovery. Over 6,000 claims still require handling, of which the 1500 claims for the recovery of real estate constitute the bulk of the work.

The Berlin staff numbers 60 persons as contrasted with the 86 employed

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last year. It is now the largest JRSO office and is following the traditional pattern of JRSO offices in the Zone with the added complication and difficulties of Berlin's unique economic and political situation.

B. Bulk Settlement

Although the JRSO was successful in reaching bulk settlements with all states in the U.S. Zone, the difficulties raised by the City of Berlin have thus far made a settlement there impossible. The promises made by three successive mayors that they would support such a settlement have been to no avail. Representations by members of the JRSO Executive Committee in New York - in connection with a visit of Mayor Suhr to this country - by Dr. Nahum Goldmann, Dr. Shinmar, Head of the Israel Mission, and representatives of the United States Government have not succeeded in overcoming the obstacles created in the office of the Senator for Finance. The explicit declaration made last year by the Finance Senator that he would support a payment of DM 25 million if he could obtain some contribution from the Federal Government or DM 20 million if Berlin had to cover the bill alone, was never implemented. Instead the Berlin Senate, considering the lapse of time during which cases had been settled, offered to pay DM 13.5 million but insisted that the JRSO give DM 1 million to the local Jewish community regardless of the terms of the Gemeinde agreement with the JRSO. The balance, after additional deductions were made, was to go directly to Berlin industry on orders to be placed by the Israel Purchasing Mission. The Senator of Finance interpreted the Berlin offer to the JRSO and on July 11, 1955 the offer as explained was accepted.

The contract drawn up by the City, without consultation with the JRSO however contained substantial variations from the agreement which would have diminished the JRSO receipts by several million marks. Under the circumstances no agreement could be signed and the negotiations with the reluctant Berliners were resumed in an attempt to eliminate the differences. The negotiations are still in progress. They have taxed the patience and perseverance of the JRSO staff to the extreme. Hope for a settlement has not been abandoned but as of this writing the outcome is still uncertain.

C. Settlement of Claims for Destruction of Synagogues in Berlin

Last year claims against the City of Berlin for the burning of Jewish synagogues were separated from the general bulk settlement negotiations. During 1955 the settlement of these claims was finally concluded. Under its terms, the City waived its demand for the refund of DM 1.4 million which it had advanced to the Jewish Gemeinde and made an additional payment of DM 9.6 million to the three successor organizations. By virtue of an internal agreement finally reached with the Gemeinde the latter received DM 3 million plus certain other benefits from the successor organizations. DM 6.6 million was received by the JRSO for apportionment among all successor organizations in accordance with an agreement based upon the relative values located in the various sectors of Berlin. DM 4 million went to the Jewish Trust Corporation since most of the synagogues were located in the British sector, DM 1,092,856 went to the French Branch and DM 1,507,144 remained with the JRSO.

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III. Allocation and Commitment of JRSO Funds

It will be recalled that the JRSO, during 1954, had agreed on the following distribution of the next DM 20,000,000 to become available for allocation, over and above the DM 55,000,000 previously distributed between the Jewish Agency for Palestine and the American Joint Distribution Committee: 85% of this amount, or DM 17,000,000 was to be allocated to the JAJP and AJDC in the same ratio as heretofore, while 15%, or DM 3,000,000, was to be reserved for projects of other organizations which had applied for funds. It had been further agreed that out of the latter amount, DM 2.2 million was to be held at the disposal of projects to be submitted by the Council for the Protection of the Rights and Interests of Jews from Germany, and DM 800,000 was to be used principally in support of religious institutions in Israel.

During 1955, the JRSO Executive Committee approved the following allocations against the above-mentioned sum of DM 800,000, with the clear understanding, however, that this was in fact only a commitment of future receipts and that payments could be made only as funds became available to the JRSO.

- | | |
|---|------------|
| a) To the Vaad Hayeshivoth in Israel for the expansion of its convalescent home. This project was intended to memorialize the former orthodox Jewish community of Frankfurt/Main. | DM 200,000 |
| b) Towards a special Building Loan Fund in Israel to assist in the improvement and expansion of premises of Yeshivoth. | DM 231,000 |
| c) Toward the building of a convalescent home to service the graduate students and teachers of the Beth Jacob School system in Israel | DM 150,000 |

Against the DM 20 million committed as outlined above, approximately DM 2 $\frac{1}{4}$ million became available for distribution during 1955. Of this amount roughly DM 1 $\frac{1}{4}$ million was allocated to the Jewish Agency for Palestine, DM 640,000 to the American Joint Distribution Committee, and DM 340,000 was available for allocation to other approved projects. Under the last mentioned amount DM 140,450 was actually paid out. It represented the equivalent of Ls 60,000, which was paid against the following projects:

- | | |
|---|-----------|
| For the convalescent home of the Vaad Hayeshivoth | Ls 25,000 |
| For the Building Loan Fund for Yeshivoth | Ls 35,000 |

In the course of 1955 the JRSO Executive Committee also approved revised proposals submitted by Help & Reconstruction in New York for programs for the care of aged Nazi victims. A sum of \$200,000 had been allocated by the JRSO for the programs of Help & Reconstruction in the fall of 1953 and the funds have been held at the disposal of the organization, pending the completion of satisfactory arrangements. Under the current proposals half of the funds would be used to provide beds for aged Nazi victims in the Beth Abraham Home for the Aged, while the balance would be used for a program of home care for ambulatory aged.

IV. Major Problems Still Unsettled

A. Monetary Claims Against the Reich

During the year it was possible to make substantial progress toward amicably settling the monetary claims which the successor organizations have against the German government for the confiscation of Jewish securities, bank accounts, jewels, furnishings and similar items which are no longer in existence. By virtue of an exchange of letters the Federal Government conveyed its willingness to pay DM 75 million unconditionally to the successor organizations over a period of about 3 years and a subsequent installment which will depend upon the total amount paid on such claims to individual claimants. Should the Federal Government pay out the total of 1.5 billion DM earmarked for these purposes to individual claimants, the additional claims of the successor organizations will be submerged. If the Bund pays less than DM 1.5 billion, the additional payments to the Jewish organizations may reach close to DM 50 million.

No payments can be made, however, until the Federal Government enacts a new law accepting liability for such claims against the Reich. This law which has been thoroughly negotiated with representatives of the JRSO is now in final draft stage. Enactment is anticipated early in 1956. Work has already started on preparing the contract between the Federal Republic and the successor organizations and this accord will have to be signed before the new Federal Law is promulgated since the new law divests the successor organizations of all their existing rights. A number of problems will certainly arise in the formulation of the final contract and these matters will require negotiations in the months to come.

B. Indemnification Claims for Destruction of Synagogues in the U.S. Zone

Since about 1948 the JRSO has had the right to receive compensation under the State Indemnification Laws for the deliberate pillage and burning of Jewish synagogues, communal buildings, religious and cultural objects. When these state laws were merged into the Federal Indemnification Law these rights were continued but the successor organizations had to agree that their combined claims would not exceed 40 million DM. Claims by organizations had lowest priority under the law, hence no payments were made and over the years the petitions lay idle.

The Federal Government now has before it a new Indemnification Law which has been heralded as containing many improvements. As concerns the claims of successor organizations however the new proposal contains a substantial deterioration in that it seeks to limit the JRSO claims for the destruction of synagogues to a maximum of DM 75,000 per community. Protests have been lodged with the German and U.S. Governments against this clear violation of the Hague Agreement and Paris Treaties and further representations will be made to the German Parliament. Although these claims may not be due for payment for several years, it is already clear from the attitudes expressed that the JRSO will encounter increasing difficulties. The Federal Government has shown no inclination to make a global settlement of the claims here involved since under the law the State Governments are the ones who

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must pay. The satisfactory settlement of these claims will certainly present a major challenge to the JRSO in the future.

C. Maintenance of Jewish Cemeteries

Some progress has been made toward settling the problem of the care and maintenance of abandoned Jewish cemeteries but the question is still unresolved. The Federal Ministry of Interior has recognized the obligation of the Federal Government to provide funds for these purposes and has submitted a proposal to the Federal Cabinet for a new law accepting liability. The JRSO is continuing to insist that the German Government has an unavoidable responsibility in this matter and must act as it has done with regard to war graves and the graves of concentration camp inmates. The red tape of German bureaucracy continues to tie up the question and patience will be required.

V. Heirless Jewish Property in the United States

In August 1954 the Congress of the U.S. enacted Public Law 626, which would put heirless persecutee assets vested by the Custodian of Alien Property at the disposal of a successor organization for the benefit of surviving persecutees. It had been possible under earlier legislation for surviving persecutees to claim the release of their assets, and the present bill was intended to cover the property of such persecutees who would have been eligible to claim release but who had perished without heirs. The bill provides for a ceiling of \$3 million which can be recovered as heirless and unclaimed and further states that none of the funds may be used for administrative purposes.

Immediately after enactment of the legislation, steps were taken to have the JRSO designated as successor organization under the bill. For a variety of reasons, the designation of the JRSO was delayed until January 1955, leaving only a period of 7 months for the filing of claims by the JRSO.

The JRSO was faced with the fact that no one had any lists, records, or organized sources of information available which would indicate which were the properties or interests held by the Office of Alien Property which under the law the JRSO was entitled and in duty bound to claim. New procedures therefore had to be devised to cope with this problem. On request, the Office of Alien Property provided a list to the JRSO, containing the names found in all of the vesting orders issued -- some 44,000 of them. Experts then carefully examined these lists and, from their knowledge of European communities and nomenclature, put together another list containing those names which appeared to be Jewish. The Office of Alien Property then checked through the lists and indicated those names as to which title claims already existed. Quite clearly, except in those cases in which the claim might be disallowed, these names did not represent assets which the JRSO could properly claim. The JRSO then filed thousands of claims, a monumental task, which had to be completed by mid-August 1955.

Subsequent to the filing of these claims, the JRSO again engaged upon a refining process. It undertook to reexamine and analyze its lists, in order

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to withdraw all of those claims which appeared to be unfounded. In order to carry forward this sizeable task, the JRSO had established a small office in Washington.

There are now on record and docketed with the Office of Alien Property some 6,899 JRSO claims, of which there is no conflicting claim in 4,558 cases. The JRSO is now faced with the alternatives of processing the individual claims or of attempting to obtain a bulk settlement. It needs little demonstration to show that processing several thousands of claims would be an interminable and most difficult job. Even in the cases where addresses are available in the files of the OAP, a spot check has demonstrated that the wholesale destruction of records within Germany, particularly as far as Nazi victims are concerned, make such investigations extremely difficult, if not altogether impossible. The JRSO is therefore currently pressing for an amendment to the Trading with the Enemy Act, which would authorize a bulk settlement of JRSO claims. It is felt that such a settlement is essential if the objectives of P.L. 626 are indeed to be carried out. Very considerable efforts will be required in order to bring about a speedy and satisfactory settlement of these claims.