

FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

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TO : Department of State

OFFICE OF EUROPEAN AFFAIRS
MESSAGE OF 258.0041/5-1250

RECEIVED
MAY 16

FROM : STOCKHOLM 529 May 12, 1950

EUR INDEX

REF : DEPT DESPATCH NO. 4, JANUARY 11

1950 MAY 17 5:18 PM '50

BNA

SUBJECT : "HEIRLESS PROPERTY" IN SWEDEN

258.0041(1-1150) EUR:WE
DEPARTMENT OF STATE

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1. On January 11, the Department transmitted to this Embassy a copy of Despatch No. 713 dated December 20, 1949, from the U. S. delegate to the Inter-Allied Reparation Agency. It was suggested that this Embassy should concert with the British and French Embassies for the purpose of obtaining a report from the Swedish Government for forwarding to the Inter-Allied Reparation Agency. This report was to indicate the steps which had been taken by Sweden to give effect to Article 8-C, Part 1, of the Paris Agreement on "heirless property" which belonged to Nazi victims.

2. This request was received from the Department at a time when similar inquiries were being addressed to the Embassy by Mr. Max Isenbergh, Counsel for European Operations, the American Jewish Committee. Mr. Isenbergh had visited Stockholm in 1949 and had discussed with the Minister of Justice, Mr. Zetterberg, and with Mr. Justice Sandström, Director of the Foreign Capital Control Board, a proposal for making a survey of bank balances in Sweden which had been inactive since May 1945 and which were listed in the names of persons having their addresses in Germany or in countries occupied by Germany during the war. On November 4, 1949, a letter had been sent by Mr. Isenbergh and his associates to the Swedish Minister of Justice, outlining this proposal in detail. A copy of this letter is transmitted herewith as Appendix A. By January no reply had been received, and the Embassy was asked to assist in learning what reply would be given.

3. Accordingly, on the occasion of a visit on February 16 to Justice Sandström in connection with other business, I raised the general question of the heirless property provision of the Washington Agreement of July 18, 1946. There is attached as Appendix B an excerpt of the relative portions of a memorandum of my conversation with Mr. Sandström on that date.

4. Early in March an approach was made to the British and French Embassies in Stockholm, suggesting that they concert with this Embassy in forwarding similar notes to the Swedish Government requesting information as to steps taken to impliment the proposal contained in the Washington Agreement. Their concurrence was obtained, and similar notes went forward from each of the Embassies toward the end of March. There are attached copies of the three notes (Appendix C).

RWBean/na

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5. On April 11 a letter was received from Justice Sandström referring to our conversation on February 16 and outlining his Government's attitude toward Mr. Isenbergh's proposal. A copy of Mr. Sandström's letter is attached as Appendix D. No reference was made in this letter to the notes forwarded by the American, British, and French Embassies at the end of March.

6. To date no reply has been received from the Swedish Government with respect to our note of March 28.

Robert W. Bean

Robert W. Bean
Acting Treasury Representative

*Enc. att.
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APPENDIX A

November 4, 1949

Dear Mr. Minister:

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

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

We therefore take the liberty to propose that the Swedish Government circularize Swedish banks, bankers, safety deposit institutions, and other possible repositories of assets of the kind in question. You may consider it useful to have a preliminary discussion with the Association of Swedish Banks and Bankers and similar organizations through whose cooperation it should prove possible to obtain the needed information expeditiously and easily. In any event, we propose only a simple, uncomplicated inquiry. To make it as unburdensome as possible and to avoid any problem of conflict with secrecy laws, we suggest that no information about individual deposits or accounts be requested. It would appear to be sufficient to ask each establishment solicited to submit only an estimate of the aggregate value of accounts and deposits held by it, originating in any of the countries which were occupied by Germany during World War II, with respect to which no communication has been received from the owner or his heir or other legal successor since May 9, 1945. In the case of safety deposit boxes or similar receptacles of which the contents are not known, a mere statement of the number of such instances would suffice for immediate purposes.

We are aware of the possibility that some property not within the category with which we are concerned might be included within the aggregate revealed by the inquiry. We believe, however, that the proportion would be trivial,

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APPENDIX A (continued)

and are confident, in view of experience with like questions in other countries, that an expeditious method of dealing with any such other property as may exist can readily be worked out. That question is in any case anticipatory. The important result of the inquiry would be to make available a working estimate of the maximum dimensions of the problem in the light of which an appropriate plan for ultimate disposition can be worked out.

Because of the preliminary nature of what we propose, we refrain at this time from outlining the various modes of assuring the devotion of heirless assets of Nazi victims to purposes of relief. We point out, however, that the almost universal application of this principle in the Western Countries (as well as, pursuant to the Peace Treaties, in the "Satellite" Countries) makes it quite clear that as a practical matter, the objective is readily attainable without substantial administrative difficulty.

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

With sincere good wishes, we remain

Respectfully,

F. R. Bienenfeld, Legal Adviser
WORLD JEWISH CONGRESS

Jerome J. Jacobson, General Counsel
AMERICAN JOINT DISTRIBUTION COMMITTEE

Max Isenbergh, Counsel for European Operations
AMERICAN JEWISH COMMITTEE

The Honorable Herman Zetterberg
Minister of Justice of Sweden
Kanslihuset
Stockholm, Sweden

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APPENDIX B

EXCERPT FROM MEMORANDUM OF CONVERSATION

February 16, 1950

Participants: Mr. Justice Sandström, Director, Foreign Capital Control Board
Robert W. Bean, Acting Treasury Representative

Subject: Former Enemy Assets in Sweden

The next question I took up related to "heirless property" in Sweden. I referred to the so-called Washington Agreement concerning the liquidation of German property in Sweden and to the exchange of letters on June 18, 1946, between Mr. Sandström and the chiefs of the Allied delegations on that subject. I said that one of the members of the Inter-Allied Reparations Agency had raised a question as to what steps were being taken to carry out the purposes of the commitment involved in that exchange of letters.

Mr. Sandström interrupted to refer to the recent visit to Stockholm of Mr. Isenbergh, representing the American Jewish Committee. Mr. Sandström said he did not believe that there was any important amount of heirless property in Sweden, formerly belonging to stateless persons. An investigation is always made in Sweden upon the death of any person as to the proper settlement of any property left by that person. There had so far not been uncovered any heirless property belonging to stateless persons. I replied that the Washington Agreement was not confined to the property of stateless persons but referred rather to "the proceeds of property found in Sweden which belonged to victims of Nazi action who have died without heirs." Such victims might have been German, French, Czech, Danish, or Norwegian citizens, for example, rather than stateless. Mr. Sandström said that with respect to property belonging to German nationals, all such property in Sweden had been investigated by the Foreign Capital Control Board, and in all cases either the owners or their heirs were known. (I did not ask for confirmation of this statement, although I think it might be desirable if it could be obtained in the form of an official written statement from the Swedish Government.) I pointed out that there remained the assets of Nazi victims in other countries which would not have been disclosed by either of the processes he had mentioned. I then reviewed the nature of the proposal which had been made in Mr. Isenbergh's letter of November 4, 1949, to Mr. Zetterberg, Minister of Justice. The purpose of the kind of survey proposed by Mr. Isenbergh would be to determine the outside dimensions of the problem.

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APPENDIX B (continued)

Mr. Sandström asked what steps were being taken in the United States with respect to property of Nazi victims who had died without heirs. I said I did not know the answer to this question. Mr. Sandström then said that the Swedish Government might be reluctant to burden the private banks with the necessity for making a survey of this character. I pointed out that Mr. Isenbergh apparently had as yet received no reply to his letter of November 4 to the Minister of Justice, and that, therefore, I was taking this opportunity to ask if Mr. Sandström knew what kind of reply would be made, because this reply might have a bearing on the answer which could be given with respect to the inquiry from the Inter-Allied Reparations Agency. Mr. Sandström then offered to telephone the Minister immediately and attempted to do so, but was unable to reach him. It was agreed, therefore, that he would look into the matter and get in touch with me later.

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APPENDIX C

No. 490

The Embassy of the United States presents its compliments to the Royal Swedish Ministry for Foreign Affairs and has the honor to refer to the Swedish-Allied Accord of July 18, 1946, with reference to Mr. Justice Sandström's agreement to recommend to the Government of Sweden that it should take steps with a view to putting at the disposal of the three Allied Governments, for purposes of relief, the proceeds of property found in Sweden which belong to victims of Nazi action who have died without heirs.

The Embassy wishes to inquire what steps the Government of Sweden has taken or contemplates taking to implement this proposal.

The Embassy understands that the British and French Ambassadors are addressing a note in similar terms to the Royal Swedish Ministry for Foreign Affairs.

American Embassy,

Stockholm, March 28, 1950.

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APPENDIX C (continued)

BRITISH EMBASSY,
STOCKHOLM.

No. 15
(20/5/50)

His Britannic Majesty's Embassy present their compliments to the Royal Swedish Ministry for Foreign Affairs and have the honour to invite reference to the Swedish-Allied Accord on German Assets, signed at Washington on the 18th July, 1946, and, in particular, to Mr. Justice Sandström's agreement to recommend to the Royal Swedish Government that steps should be taken with a view to putting at the disposal of the British, American and French Governments, for purposes of relief, the proceeds of any property found in Sweden which belonged to victims of Nazi action who had died without heirs.

2. The British Embassy have the honour to enquire whether it has proved possible to take any steps to trace any such property and to implement this proposal.

3. The British Embassy understands that the United States and French Embassies are also addressing a note to the Royal Ministry in similar terms.

27th March, 1950

The Royal Swedish Ministry
for Foreign Affairs,
Stockholm.

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APPENDIX C (continued)

27 mars 1950.

No 34

L'Ambassade de France présente ses compliments au Ministère Royal des Affaires Etrangères et a l'honneur de se référer aux lettres échangées le 18 juillet 1946, entre M. Sandström au nom du Gouvernement suédois, d'une part, et MM. Seymour J. Rubin, Christian Valensi et Francis W. Mac Combe, au nom des Gouvernements alliés, d'autre part, relativement à la réalisation des biens trouvés en Suède et appartenant aux victimes de l'action nazie, décédées sans héritiers.

Il avait été convenu entre ces signataires que M. Sandström recommanderait à son Gouvernement de prendre des mesures en vue de mettre à la disposition des trois Gouvernements alliés, à des fins de secours, le produit de cette réalisation.

L'Ambassade de France attacherait du prix à connaître la suite que le Gouvernement suédois a donné ou se propose de donner à cet échange de lettre.

L'Ambassade de France saisit cette occasion pour renouveler au Ministère Royal l'assurance de sa considération la plus distinguée.

Stockholm, le 27 mars 1950.

Au
Ministère Royal des Affaires Etrangères,
S t o c k h o l m.

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APPENDIX D (continued)

Flytkapitalbyrån
Hovslagargatan 2
STOCKHOLM

Stockholm, April 11th, 1950.

To

Mr. Robert Bean,
American Embassy,
Strandvägen 7 A,
S t o c k h o l m

Dear Mr. Bean,

After your visit I have gone into the question of heirless property raised by the Washington agreement on German assets in Sweden, and I want hereby to give you the result of my investigation.

As a consequence of the ratification of the agreement the Swedish Government took the measures contemplated during the negotiations. Orders were issued to the Courts and to the General Inheritance Fund (allmänna arvsfonden) to report all cases within the scope of the special letter referring to heirless property which came to their knowledge. As at the Courts all inventories of deceased persons' property are registered and the Inheritance Fund is by law successor to all heirless property in Sweden, no known heirless property could be disposed of without the case being brought to the knowledge of the competent authorities. No such case has so far been reported.

Of course, there is the possibility that there exist bank-accounts or other property deposited with banks belonging to heirless deceased persons without their death being known, and the Minister of Justice, after Mr. Isenbergh's visit to him in the autumn and his subsequent letter, examined if steps - and especially those proposed by Mr. Isenbergh - could be taken to disclose such property. For this purpose he consulted the banks, but in view of the practical difficulties, the necessarily not conclusive result of the measure proposed and the, according to all probability, not very important sums that could be in question, the banks were not disposed to carry out the investigation proposed by Mr. Isenbergh and could not make other suggestions to the same effect. On the other hand the Government cannot without legislative measures compel the banks to make the investigation and the Government does not want to make at this stage any new legislation in this field.

There the matter rests and I personally think there is very little likelihood of any new move from the Swedish Government.

I may add that during the month of March there has been, at Lake Success, a conference about disappeared persons being declared as dead and in so far Sweden adheres to that convention and thereby the Swedish Courts get greater possibilities of declaring persons dead, some cases of heirless

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APPENDIX D (Continued)

property might be disposed of. The result of the conference have so far not been reported.

With my best regards.

Yours very sincerely

(Signed) Emil Sandström

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Memorandum of Conversation

DATE: July 1, 1954

SUBJECT: Allied Claim to Looted Gold from Sweden

PARTICIPANTS: Mr. Sward, Swedish Embassy
Mr. Hayden Raynor, BNA
Mr. Grant G. Hilliker, BNA

COPIES TO: EUR, BNA, L/E - Mr. Metzger, MN - Mr. Fletcher
GER - Mr. Dux, AmEmbassy - Stockholm

Mr. Sward asked to come in to report on his trip to Stockholm with Ambassador Boheman to consult the Swedish Foreign Ministry on the Allied claim for additional looted gold, under the terms of the 1946 Accord.

He began by noting the surprise in Stockholm that the claim had become more "serious" than the Foreign Office had believed. Tracing again the main arguments which had caused the Swedes to resist restitution of the gold, he ended by stating that the Foreign Minister had decided to accept in principle the compromise suggested in my conversation of May 28 with Ambassador Boheman. Such a settlement (for 521 out of the 722 bars originally claimed) would be made on the understanding that the Allies would if necessary support the Swedes in their overall discussions with West Germany by presenting the evidence concerning the gold as it had been given to Sweden in the recent discussions in Washington.

For the sake of simplicity in dealing with Germany and also in presenting the compromise to the Swedish Parliament, the Foreign Office would prefer to have the 6113 1/2 kilograms (equivalent to 521 bars) rounded down to 6000 kilograms.

On these two points I indicated that I anticipated no difficulty but that we would need to consult our British and French Colleagues since I had made the compromise proposal more or less as a personal estimate of what might be acceptable.

Asked about

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Asked about the timing of the delivery, Mr. Sward said that our agreement would have to be approved by the King in Council. These meetings are held infrequently during the summer and the next would be July 20. It was agreed that we should try to conclude our agreement before that date. Mr. Sward left a brief draft of the substance the Swedes wished to have included in the agreement.

I told Mr. Sward that I was glad his Government had seen fit to agree to a compromise, however difficult it might have been for them. We would be in touch with him soon regarding the methods of completing the matter.



Hayden Raynor

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: July 2, 1954

SUBJECT: Allied Claim to Looted Gold from Sweden

PARTICIPANTS: Mr. Sharp, British Treasury Delegation
*Mr. de la Grandville, Counselor, French Embassy
Mr. Monod, French Treasury Delegation

Mr. Fletcher, MN
Hayden Raynor, Grant G. Hilliker - BNA

COPIES TO:

EUR, BNA, I/E - Mr. Metzger, MN - Mr. Fletcher
GER - Mr. Dux, AmEmbassy - Stockholm

I asked the British and French representatives to come in to hear the information received from Mr. Sward of the Swedish Embassy concerning the Allied claim to additional looted gold under the 1946 Accord (see memorandum of conversation of July 1, 1954).

After they had heard my report, the British and French representatives said that the result seemed to be very favorable. Mr. de la Grandville said that he could agree on the spot. Mr. Sharp said he saw no problem but that he would have to consult the UK Government concerning the "rounding" of the figure to 6000 kilograms.

It was agreed that an exchange of letters seemed the appropriate form for an agreement based on the draft supplied by the Swedes (copies of which were given to the British and French), and that another meeting would be held after July 5 to discuss a draft. It seemed agreeable to add that delivery

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should be made as soon as possible but no later than
September 30, or some such date.



Hayden Raynor

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Dear Mr. de la Grandville:

There are attached new drafts of the exchange of notes on gold with the Swedish Embassy, embodying minor changes suggested by our expert on diplomatic correspondence. In view of that expert's doubts about the use of the three signatures to a single note in this instance (as distinct from between delegations), these latest drafts are intended as separate identic notes. Mr. Sward has also received copies and suggested the attached addition to the confidential letter.

I hope you will find the attached drafts satisfactory. While I am away for the next two weeks this matter will be handled by Mr. Froehl in this same office (extension 8746).

Sincerely,

Grant G. Hilliker

Enclosures:

1. Draft Note from Allies.
2. Draft Reply from Swedish Embassy.
3. Draft Confidential Note from Allies.
4. Additional statement proposed by Sweden.

Mr. Jean de la Grandville,
Counselor, French Embassy,
2835 Belmont Road N.W.,
Washington, D. C.

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S/S-CR -
Miss Moore

The substance of
these notes has
been cleared in
the Department.
AAA

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