

Lot 6204

RG	59
Entry	Decimal files 1950-1951
File	Austria
Box	17

DECLASSIFIED
 Authority NND968071
 By [Signature] NARA Date 7/12/00

HEADQUARTERS
 UNITED STATES FORCES IN AUSTRIA
 USACA SECTION
 Reparations, Deliveries and Restitution Division
 Reparations and Restitution Branch
 APO 777, U. S. Army

Vienna
 6 Jan 1949

Dear Miss Hall,

I had lunch Monday with Ted Heinrich in Wiesbaden and poured out some of my troubles to him. He is a lamb - so kind and sympathetic - and suggested that I write you.

My job as Fine Arts Officer for USFA has been both back-breaking and heart-breaking because in spite of the high-principled directives from Washington they have been met with no sincere response here. It hurts me exceedingly to say this. There is probably no single employee in this headquarters who has fought so consistently as I to protect USFA and the US from adverse criticism.

As you probably know OMGUS (Office of MG for Germany) has a well equipped Fine Arts Staff. I regret to say that USFA has not had such foresight, though I think it could be easily proved that more loot was found in the US Zone of Austria than in Germany. The main excuse for the Central Collecting Point in Munich was to handle the loot from the salt mines in Austria, which are technically under the jurisdiction of this headquarters - and which incidentally (though it is not really part of my story now) constitutes quite a controversy between OMGUS and USFA and will surely have to be settled eventually in Washington. The differences of opinion on this are mainly caused by the fact that we here have taken directives from Washington literally (I am of course only concerned with fine arts), which specified that fine arts removed from Austria after the Anschluss would be returned. In Germany the Chief of Fine Arts (at that time Col. Allen) re-wrote Washington directives, according to his interpretation, and therefore issued his own directives, which had all sorts of qualifications as far as Austria was concerned. Therefore the Fine Arts Officers in Munich are not much concerned with the Moscow Declaration, which declared Austria to be the first victim of Nazi aggression, etc. They argue that Austria was an ex-enemy nation and should not get back fine arts that were purchased for the Hitler or Goering Collections, etc, etc., but as I said before this is not now part of my story. If you should be interested in more of this I will be glad to elaborate except that it may be too late now for me to do anything about it - and I can assure you there is no one else in this headquarters who knows anything about it - or is even very much interested.

The position of Fine Arts Officers in USFA was eliminated in July 1946 and from then until October 1947 the negligence of this explosive situation was hardly short of being criminal. (These are strong words, I know, but hear me out). There was no control then on what American officers sent home and there is very little now. I did what I could from my office position in Vienna to control the situation (though of course I could do nothing on what was sent to the States). Finally in October 1947 the job was recreated and I was officially appointed fine arts officer. The same man sits in control now in Salzburg who has been there since 1946 - he was Chief of Property Control & Restitution - now, besides keeping

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As such control of this office he is also Deputy Chief of Military Govt. /In his first capacity he is custodian of my art depot in Salzburg - which he has used as a requisition dump for officers homes and clubs. He is of course a great favorite with the Generals, being among other things a good poker player. Efforts on my part to protect the art depot in Salzburg from these inroads have been without avail - I have not been able to get a letter out of this Division. (This man's name is Vernon Kennedy - he was formerly in Labor circles in California and then with UNRRA).

After the excesses between July 46 and Oct 47 I tried my best to tidy up files and straighten out hopelessly fouled-up cases. The Austrian Govt (which had no reason to believe in the sincerity of a restitution program by USFA (having already suffered at the hands of US personnel) greeted me with thinly veiled hostility. I worked diligently and earnestly to overcome this feeling and finally succeeded in convincing them that I was as anxious to protect Austria's cultural heritage as that of any other nation. From that time on they gave me unqualified support. If only I had had one-half the support from this headquarters! I know that ordinarily Colonels and Generals only know what is reported up to them and any little officer along the way can block information from getting to them. However, USFA must bear the ultimate responsibility, although the direct responsibility for this fiasco must rest on the first responsible officer, and unfortunately he is my first chief - the chief of this Branch. I am sure he is a brave, capable combat officer but surely a worse choice could never have been made for a chief of a Restitutions Branch. He is a WP graduate but culture and diplomacy are only things he has read about (he is much the same kind type man as McJunkins in Germany, who has not only every nation in Europe gunning for him but has not the support of a single man working for me -- I would give McJunkins the edge on polish but neither man seems to be acquainted with "diplomacy".

Before you decide that I'm just a frustrated woman (and I frankly admit that I am) let me say there is French looted fine arts in the General's villa in Salzburg, Dutch fine arts in the General's villa in Linz, a French looted painting in the Officers Club in Salzburg -- all definitely identified and included on claims but I have not been allowed to reveal that I have found them; A Lt. Col. returned to the States recently from Salzburg taking with him 26 oriental Hungarian rugs - McKee (my chief) refused to let me write the Provost Marshall of his Army Post to investigate. I was only allowed to write the officer a nice letter of inquiry. The Salzburg Gold Coin Collection was looted while in the possession of the Military Detachment of Hallein, Austria; several truckloads of fine arts were brought to Vienna by General Clark (for his quarters here) from Castle Klessheim in Salzburg; seven paintings were stolen from Lauffen Mine, including a Rubens and a van Dyke, while under protection of US personnel; seven valuable engravings four of them by Durer, were stolen from Alt-Ansee saltmine while under protection of US personnel. Most of these have had no investigation -- but all is carefully documented by the Austrian Govt.

The Austrian Govt has been trying to get permission for a year and a half to send an expert with me through high-ranking officers villas and clubs to see what fine arts are being used there, as most of these places were taken over intact from the Germans. I have stressed time and again that it would not be necessary to remove anything but museum items found. Permission has never been given. I have never been able to get such a request out of this division. The lack of support, sympathy and interest on the part of my Branch Chief and the Division Chief (who have assured the big boys above that they will see that they

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are not disturbed) has been so embarrassing and I have had to stall and stall Austrian Govt officials who have been so kind and who trust me to work this out eventually in spite of official indifference. I have had to lie to the Dutch and I can hardly look the French in the eye -- all to protect USFA, whose policy is so shortsighted and certainly reflects no credit to the US.

It is not by chance that McKee is eliminating this job, instead of one of the industrial specialists, when he was told to retrench on personnel. Is it this particular job which he (and others) wants eliminated. He returns to the States in June to attend school and he is going to be very sure there is no Fine Arts Investigator here, who knows anything about the work, after he leaves. It has been said to me in the past two weeks "but, Eve, USFA won't have to worry about anyone saying it has done something wrong after you have gone because nobody knows anything about it but you therefore nobody will know that a mistake has been made". Good, moral logic! Also, it has been broadly hinted to me that my final report had better be good because McKee will still have the opportunity of giving me a final efficiency rating and he can ruin me if my report reflects on him in any way. I asked his person if McKee had asked him to give me that hint - he said "I didn't say that and I won't answer your question, but a word to the wise should be sufficient". He added "you must recognize, Eve, that you are absolutely helpless - the Army has you right by the neck and you can't fight it". For me to have to even listen to this insulting talk - when I have fought so hard to protect (that is keep from public view) so much petty thievery and grand larceny - was rather galling.

So now with three art depots of unidentified loot, no investigations having been made of officers clubs and villas, with scores of outstanding art claims unsettled - USFA is just eliminating the job -- why? Because the man who has been chief here since April 46 must return to the States in June and he wants no ~~substantiating~~ investigations made which he is not in a position to block - therefore the art investigator must go before he does. I am so tired of this whole problem - and three years of trying to do a constructive job with this interference that I will be happy to get completely away.

A few weeks ago three von Ribbentrop albums disappeared from the depot. ~~Incidentally~~ I questioned Mr. Kennedy and he said he had turned them over to a Colonel in G-2. I said "whatever for?" He said "G-2 interest" (smugly). I said "what intelligence interest could there be in photographs of Ribbentrop shaking hands or drinking cocktails with Chamberlain? They are of historical interest and are wanted by the Library of Congress but are certainly of no intelligence interest". I asked him if he would pick them up in a week or so after the Colonel had locked them over because I must send them to the Library of Congress. He shook his head and when I inquired what this meant he said "hell, the Colonel took them as a souvenir". I said "Mr. Kennedy, this particular type of thing is especially disgusting and has got to stop!" He said "well, you had better clear it with McKee before you do anything because he OKed it". So, as usual I am stymied. (This is of course very petty but recent and reflects the attitude).

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 By JAT NARA Date 7/12/00

You may find interesting the attached copy of a letter to General Keyes from Minister Krauland (Ministry for Property Control and Economic Planning). I have never met Minister Krauland but of course know all the men immediately under him, also all the Austrian Fine Arts people in the Bundesdenkmalamt. I had lunch today with Dr. Demis, President of the Bundesdenkmalamt. He had secured a copy of this letter for me because he thought it was so nice. I was of course very grateful and touched. This letter was of course never shown me by this Hq. Dr. Demis said he was notified this morning by an official in the Ministry that USFA's answer to Krauland's letter was negative "because of economic reasons". This is disgraceful - the letter was of course answered by McKee.

Also, for sometime PIO (Public Information Office) which handles state-side publicity for USFA, has been working on a story of me in my job. 10 days ago they turned it in to my Division for clearance (I gave them the facts and they are of course absolutely correct). I came in yesterday from Paris via Wiesbaden and Munich (where I had lunch with Steve Minsing) and was informed by PIO that the story had not been released by my Division. They apparently don't dare let me get state-side publicity (it is scheduled for a Woman's Magazine - which is anxious for the story) and wide publicity in Europe via Stars & Stripes because the Generals here and some other of the big brass might decide they had something unusual in me and want to keep me for publicity's sake if nothing else. So poor USFA is losing good publicity which it was so anxious for when this story was ordered about three months ago. I had to get out of a sick bed and go to the Zone to pose for pictures in the saltmines, castles, etc. But since this was started a Lt. Col. has learned he will be definitely returned to the states in June and I must be quietly gotten out of the way before then --- so USFA doesn't get good publicity it needs and wants and the Austrian Govt is disillusioned and suspicious of USFA's sinceretynon the question of Fine Arts.

I am forced to admit that I can't help but admire McKee's determination and fighting capabilities because he must have been hard pressed to sell the answer to Minister Krauland to the Chief of Staff -- and now he is managing to either hold up or definitely suppress the feature story (from the woman's angle) of fine arts which USFA was so eager for. It is unfortunate his abilities are not directed on a higher plane.

Probably if I were not so tired and discouraged I would never have written the above letter. You understand of course that if the Army were to see this letter they would burn me at the stake. I am not even asking you to try to do anything about the above because you can't. It is truly hopeless -- and God know I would not want Washington embarrassed by the exposure of any of the above. Sometimes I think we are ~~in~~ morally decadent ~~and~~. The above sorry story is given you in the hopes that you may be able to get out some restitution directive on fine arts "with some teeth in it" so this awful mess can be cleaned up.

Yes, Miss Hall, I am a frustrated woman.

Eve Tucker

EVE TUCKER
 Fine Arts Officer

339461

RG 59
 Entry Decision Files
 1950-1956
 File Austria
 Box 17

DECLASSIFIED
 Authority NND968071
 By JGJ NARA Date 7/12/00

Munich, Germany
 6 August 1948

SUBJECT: JURISDICTION OF "USFA" OVER FINE ARTS IN CCP, MUNICH,
 REMOVED FROM AUSTRIA.

1. First, I am not going to attempt to argue the right or wrong of claims between Germany and Austria. For one thing, Washington has never asked me for my opinion and probably isn't too interested in what I personally think of its restitution directives. In the Declaration of Moscow it was unanimously agreed by the signatory nations that Austria was the first victim of Nazi aggression and would be considered a liberated nation. Restitution policy to Austria has been developed from this viewpoint. WARX-99226, of 4 Mar 1946, from the Joint Chiefs of Staff specified that all cultural property removed from Austria after 13 Mar 1938, regardless if acquisition was by purchase or other means apparently legal, would be returned.

2. There are remaining in the CCP approximately 5000 items which were removed from Austria to Munich for administrative purposes (due to the inadvisability of duplicating in Austria the elaborate set-up of the CCP)--jurisdiction of all such property was retained by the CG of USFA, and it was clearly understood by all that any of this property would be returned to the custody of USFA upon request.

3. Reference is made to the pending release to the Bavarian Govt. of custody and jurisdiction of German fine arts in the CCP - and custody (but not jurisdiction) of non-German fine arts in the CCP. Insofar as I am competent to speak on behalf of USFA I do not consider it advisable to release to the Bavarian Govt any fine arts removed from Austrian depots until the question of USFA's jurisdiction has been liquidated. This question cannot be liquidated by personal opinions or unilateral action. It is a matter which must be considered with the proper regard to channels. For instance, what repercussions, if any, would there be to USFA or the Austrian Govt if USFA were to relinquish to OMGUS all jurisdiction over fine arts removed from Austria to Munich? Inasmuch as this is an impossible question to answer - and the repercussions could be grave - I came to Munich with no instructions except to discuss the return to Austria of the fine arts remaining here under our jurisdiction, however, knowing full well that there must be included in this property many fine arts which came from confiscated German Jewish collections, I was hopeful that we could determine the property which belonged to this category and when I returned to Vienna I could recommend that jurisdiction over it be relinquished to OMGUS.

4. It has been extremely disappointing to me to learn at the CCP that they are proceeding with their inventory for the turn-over to the Bavarian Govt - ignoring completely USFA's jurisdiction of about 5000 of the items (regarding which Mr. Howard told Lt. Col. McKee about 10 days ago in Karlsruhe we could come to Munich and get at our convenience). Furthermore, the inventory is nothing more than a "head count" and would be worthless for a check as to what had been actually released. For instance, if Munich No. 0000 covered a Lukas Cranach painting what could prevent the Bavarian Govt - or any German clerk - from switching No. 0000 to a modern Haus der Kunst painting? The Bavarian receipt will merely show that it received some item of property from the CCP with the No. 0000 - nothing more.

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5. In view of the directive from Washington, when USFA has learned, either from the Austrian Govt or other sources, that any of the fine arts which it had sent to Munich were in Austrian pre-war collections we have requested their return to our custody. Resistance to the return to our custody of any Austrian fine arts which were acquired by the Nazi authorities for inclusion in the Linzer Kunstmuseum has grown rapidly in the past year to the point where they now argue openly the justice of this or the justice of that.

6. Many items among the 5000 remaining in the CCP have been identified by Austrian art experts as having belonged to pre-war Austrian Collections. The arguments coming from the CCP are that they were "sold" to the Linzer Kunstmuseum. No cognizance is taken of the fact that the Linzer Kunstmuseum was a Nazi dream which no longer exists and the Linzer Kunstmuseum Collection must be liquidated - no cognizance is taken of USFA's right to request the return to its custody of property under its jurisdiction in Munich - no cognizance is taken of MARX-99226 which says all cultural property removed from Austria between 14 Mar 1938 and 15 May 1945 shall be returned.

7. Ignoring completely the above state of things arrangements are rapidly being concluded for the turn-over to the Bavarian Govt on 31 August 1948 - among other things - all Nazi-owned property. The CCP calls the Linzer Kunstmuseum collection the "Hitler Collection".

8. When General Clay issued his order that all Nazi-owned collections should be turned over to the Bavarian Govt to be held by it in sacred trust - he could not have known that what is called the "Hitler Collection" in Germany is in reality the "Linzer Kunstmuseum Collection", that it was removed from Alt-Aussee Saltmine in Austria to Munich and was still under the jurisdiction of the CG of USFA. To argue that some of these paintings were sent from Munich to Alt-Aussee Saltmine in 1944 for storage does not change the case -- Alt-Aussee contained originally 6,755 paintings - 1,687 of which were shipped from Munich to the Mine in 1944. Earlier, during 1941-42-43 a total of 1,732 paintings had been shipped from Munich to Kremsmuenster Monastery, where they were inventoried for inclusion in the Linzer Kunstmuseum, and subsequently stored in Alt-Aussee.

9. In an effort to liquidate USFA's jurisdiction over the 5000 odds and ends (only about half of this number represents paintings) remaining in the CCP, recommend the following:

- a. Postpone until 31 October 1948 the release to the Bavarian Govt of any property in the CCP coming from Austrian depots;
- b. Appoint a working committee to be composed of:
 - American member of MFA, OMCUS
 - German art expert
 - American member of MFA, USFA
 - Austrian art expert

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 By JAG NARA Date 11/2/00

The working committee to screen thoroughly the Dresden Catalog (which is the most complete record of the Linzer Kunstmuseum Collection) and any other records available, so as to determine as far as possible the following categories:

- I. Pre-war German property,
- II. Pre-war Austrian property,
- III. Property believed to be of Allied origin but on which documentation is not complete,
- IV. Property of unknown origin, by Austrian artists, export of which was prohibited by Austrian Govt,
- V. Property of unknown origin.

Jurisdiction on category I above to be relinquished at once by USFA; categories II and ~~IV~~ to be returned to the custody of USFA; category ~~IV~~ to be retained by MFA Section, OMGB; because of the endless arguments and criticisms which American Authorities would be subjected to from either German or Austrian sources if either one were given custody of this property over the other, recommend that category V be held by MFAA Section, OMGB, pending instructions from higher authorities.

ET
 EVELYN TUCKER
 MFAA Representative
 RDR Division, USACA

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By 208 NARA Date 7/12/00

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File Austria
Box 17

LOT 6704

COPY

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OO : 120932 Z ROUTINE MC IN B-20659
TOR : 121120 Z mpr/w
FROM : REST BRANCH PROP DIV. MFAA (SGD HOWARD)
TO : USFA, USACA FOR RDR FOR LT COL MCKEE ATTN MISS TUCKER

REF NO: NIL

1. It is believed that the recommendations included in the memorandum of 9 August 48 presented by Miss Tucker form a reasonable basis for discussion of the problem of materials in the Munich collecting point derived from Austrian repositories.

2. It was agreed between this Office and Mr. Leonard, OMGB, that because of the fact that the subject materials are not clearly German owned, and consequently need thorough screening, that these materials would not be turned over to the Minister President of Bavaria until such screening takes place. It should be understood, however, that this agreement is subject to confirmation by higher authority.

3. It was agreed between this Office, Mr. Leonard, and Miss Tucker, that she would return to Munich as soon as her leave is finished, that the undersigned would meet with them there, and that the process of screening would be undertaken immediately at that time, with a view to concluding the liquidation of this material as soon as possible.

ACTION: USACA (RD&R) 3
INFO : SGS 3
DIR OF USACA 1
AG 2

MC IN B-20659 12 August 48 1430 Z REF NO: NIL
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 Box 17

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 Authority NND968071
 By JAG NARA Date 7/12/00

SUBJECT: Material from Austrian Repositories at CCP

TO : OMG Bavaria
USFA

*2 items from Austria
 in CCP*

1. In accordance with conference between Lt. Col. McKee, RD&R Division, USACA Section, and Mr. Howard, Restitution & Reparation Branch Office, the following disposition will be made of cultural material removed from Austrian repositories to the Central Collecting Point under the agreements of Aug 45 and July 46 between USFA and OMGUS. It should be noted that approximately 2000 items have already been restituted to countries formerly occupied by the Germans and that the material concerned consists largely of materials collected for the so-called Hitler-Linz Museum which was intended to be built in Linz, Austria. It should also be noted that this is in accordance with the principles of cable WX-88362 dated 28 Aug 48 and of cable WX 88001 Aug 48. About 2500 items remain.

2. The material will be screened with the aid of micro film of invoices and correspondence of the Linz Museum into 5 categories as follows:

1. Material clearly proven to be of German origin, i.e., acquired in Germany originally and before March 1948.
2. Material clearly proven to be of Austrian origin, i.e., acquired in Austria and either removed from before and subsequent to 12 March 38, or requisitioned for the Hitler-Linz Museum.
3. Material removed from countries occupied by the Germans other than Austria and subject to restitution.
4. Paintings by Austrian artists with no Austrian export stamp and no other evidence of origin.
5. Material whose origin cannot be traced.

3. a. The material found to belong in category (1) will be retained at the CCP and released to the Minister President of Bavaria as German art in accordance with OMGUS directives.

b. The material found to belong in category (2) will be returned to the custody of USFA. USFA will provide the transportation necessary.

c. The material found to belong in category (3) will be retained at the CCP and restituted to the appropriate country immediately.

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(4)

d. The material found in category (4) will be released to USFA as having been presumptively removed from Austria and USFA will provide the necessary transportation.

e. The material found to belong in category (5) will not be released or disposed of without agreement between USFA and OMCUS. It is hoped that the thorough screening of this material will reduce this category to a very small number of items.

4. Above was dictated over the telephone by Mr. Howard to Miss Millgore on 28 Oct 48.

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The Department of State bulletin

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RG

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Entry

to Decimals files
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File

Austria
Restitution Policy

Box

18

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Authority NND968071

By JAG NARA Date 7/12/00

THE COUNCIL OF FOREIGN MINISTERS

London Meeting of the Council of Foreign Ministers

STATEMENTS BY SECRETARY MARSHALL

Questions Addressed to the Soviet Union Regarding German Assets in Austria¹

[Released to the press December 5]

For nearly two years we have been struggling to achieve agreement on a treaty for Austria.

While there have been many problems, the greatest obstacle to progress has been our failure to agree on what assets in Austria are German and thus subject to transfer under the Potsdam agreement. We have tried to meet this problem by agreeing on the meaning of the words "German assets". The definition has been argued and discussed in numerous and prolonged conferences, without agreement.

Then we appointed a commission to meet in Vienna and consider this and other treaty problems. For five months the commission collected, studied, and discussed the concrete facts on German assets in Austria. As a result, three Powers arrived at substantial agreement as to what constitutes legitimate German assets in Austria—and found themselves in substantial disagreement with what the Soviet Union has chosen to regard as German assets transferable to it.

In the closing days of the Vienna conference, the French introduced an outline of a proposal for a concrete settlement of the German-assets problem. It was not discussed in Vienna but was referred to our deputies here. It has been discussed and considered by them at their meetings. Now they report to us no agreement either in principle or in fact. We must find a solution to this interminable conflict between Soviet claims to German assets in Austria and our declared objective to establish a free and independent Austria. So I ask, "What is to be done now?"

I have several questions to ask in order to clarify the problem and give us some prospect of completing the treaty:

Does the Soviet Delegation now have any proposal to resolve the differences, other than that the

three western Powers reverse their firm convictions and agree to the Soviet position on German assets?

Does the Soviet Union repudiate the Moscow declaration regarding the reestablishment of a free and independent Austria?

Exactly what is it that the Soviet Union wants from Austria? What properties, interests, or values does it regard as *bona fide* German assets in Austria?

Does the Soviet Union agree that German assets shall remain wholly subject to Austrian law, and, if not, what special exceptions or privileges are asked at the expense of Austrian sovereignty?

So far as I know the Soviet Union has never stated its claim in specific terms. Both the Austrian people and the Allies are entitled to know what that claim is. I ask for it now.

Extraterritorial Status of German Assets in Austria Not Defined¹

[Released to the press December 5]

Regarding the statement of the Soviet Union's beneficent purposes and actions in Austria and the American program of enslavement, I will only repeat my remark of the other day that I do not think Mr. Molotov could possibly convince me that he really believed his allegations and implications.

The distortion of United States motives just made we have all heard before. I stated recently that there was no foundation whatsoever for such charges. I now repeat that statement, but beyond that categorical denial I will not take the time of my colleagues by engaging in futile and, I feel, unseemly name calling and propaganda attacks, so wholly out of place when we are, I assume, endeavoring to proceed on a basis of calm and reasonable discussion of these questions of vast importance to all the world and not merely to the four countries we have the honor of representing. We all are aware of the real purpose of attacks of this

¹ Made on Dec. 4, 1947.

December 14, 1947

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THE COUNCIL OF FOREIGN MINISTERS

nature. Indeed, it has been announced. It is to disrupt the great cooperative movement that is being launched for the economic recovery of Europe.

The Soviet Union has stated that the Soviet position is based on Potsdam. It is not the intention of the Government of the United States to repudiate any of its international commitments, including the Potsdam agreement. But it is likewise not the intention of the Government of the United States to allow any agreement to be distorted to accomplish purposes which most certainly were not the intentions of original signatories.

There is no mysterious reason why Four-Power agreement has not so far been achieved on German assets in Austria. There is the matter of amount.

The Soviet Delegation has consistently declined to specify its demands, but if we take the Soviet so-called "definition" of German assets at its face value, as set forth in the report which the Austrian Treaty Commission has presented to us, the Soviet Union appears to be claiming an amount and number of properties which, in the opinion of the United States Delegation, is far more than was awarded at Potsdam.

In substance, the Soviet Union appears to claim all assets in eastern Austria to which Germans held any kind of title, regardless of how that title was acquired. Yet it is abundantly clear that Hitler's Germany, as a result of the annexation of Austria, acquired extensive property interests in Austria by the abuse of power, by duress, by Aryanization, by involuntary transfer, and by the discriminatory interpretation and application of laws. It forced the transfer into German hands of a substantial part of the economic wealth of the country. Any claims for German assets based on German ownership acquired by any of these means are clearly outside the scope and intent of the Berlin protocol.

There is the equally important question of the extraterritorial status of those assets:

I would emphasize that nowhere under the Potsdam agreement is there given any power the right to demand or receive extraterritorial rights with respect to any properties which may be transferred to it as German assets.

² Made on Dec. 5, 1947.

Statement Introducing Discussion of Economic Principles²

[Released to the press December 61]

The Council of Foreign Ministers has now been in session for more than a week. According to the agenda, it has been debating two questions on Germany: frontiers and treaty procedure. Today we pass from the consideration of procedures to substance—to the harsh realities of the present situation existing in Germany today. Economic principles and political organization in Germany are inseparable subjects even though our agenda lists them as separate items. I suggest that we drop generalities expressing our desire for a central German government and try to find out what each delegation really has in mind respecting a settlement for Germany.

Let us consider for a moment the basic decisions of the Potsdam conference to which Mr. Molotov has so often referred. Under this agreement provision was made for the establishment of central German agencies which were intended to carry out the economic unity of Germany, to which three powers had subscribed. The creation of such agencies was, of course, a preliminary step toward the establishment of a German government. At our Moscow session four delegations formally agreed that: "any decision on the political organization of Germany is conditional upon the prior establishment of German economic unity". But what has happened in the 28 months which have elapsed since the Berlin protocol was signed and during the time since we last met at Moscow? Economic unity has not been attained, central agencies have not been established, and zonal barriers are even more pronounced. Germany remains divided. This situation has been created by the Allies themselves, and it is their responsibility to resolve it. It has retarded the rehabilitation of Germany and of Europe with tragic results for hundreds of millions of people. Let us be honest with ourselves and with the world. Any German government called upon to administer a Germany divided as it is today by the policies of the Occupying Powers would be a sham and a delusion. It is useless to debate the desirability of a central German government unless the Allies are prepared to create the conditions under which such a government can function. The United States wants there to be an "all-German" government just

Department of State Bulletin

RG

59

Entry

Decimal files
1950-1954

File

Austria
Restitution Policy

Box

18

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Authority NND968071

By JAG NARA Date 7/12/00

COPY (Miss Hall)

INCOMING TELEGRAM

Department of State - Division of Communications & Records

CONFIDENTIAL

Control 6726

Rec'd February 21, 1947

3:10 p. m.

FROM: Berlin

TO; Secretary of State

NO: 427, February 21, 3 p. m.

FOR MURPHY

AGWAR at State's request in cable WX-92163 to OMGUS asks for comment on draft Austrian treaty, Article 33, as follows:

"One. Identifiable property of Austria and Austrian nationals removed by force or duress from Austrian territory to Germany by German forces or authorities after 12 March 1938, shall be eligible for restitution.

"Two. Restitution of Austrian property shall be effected in accordance with measures which will be determined by powers in occupation in Germany."

Reference telegram continues: "Clark strongly urges revision after '12 March 1938' to read 'shall be returned to Austria by powers in occupation in Germany' so as to permit restitution to Austria from US zone without necessity ACC approval."

OMGUS replying as follows:

"Concur fully in State Dept draft Austrian treaty, Article 33, paragraphs one and two as quoted by you, except suggest addition of words 'in Germany' following 'Austrian property' in paragraph two of your quotation.

"Do not concur in addition of words 'shall be returned to Austria by powers in occupation of Germany' as proposed; as we believe we must have control here of the measures, methods, and timing of any restitution to Austria. We are firmly convinced of the necessity for maintaining provisions paragraphs five and six of your WX-99226 with respect to transportation and other items jeopardizing minimum requirements of German economy, and increasing need for additional assistance by US; also do not feel ~~that~~ Austria should be treated on the same basis a United Nation, or should be entitled to receive more favorable treatment from US zone Germany than other zones Germany.

(Over)

339471

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1950-1954File ~~Austria~~
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By JAG NARA Date 7/12/00

"Therefore, see no reason to change present SBMCC directive, under which occupying powers Germany may exercise discretion as to items in paragraphs 2B and 2C of WX-99226.

"Reference your query as to progress, certain cultural objects, including Holy Roman Empire regalia, have already been moved from Germany to USFA custody.

"According to restitutions branch OMGUS the words 'we must have control here of the measures, methods, and timing of any restitution to Austria' refer to OMGUS rather than ACA. This, if applied to other zones of Germany, would mean in effect that there would be no restitution policy, but that only such restitution would be made as determined by the individual zone commander."

Sent to London as 91, repeated to Vienna as 11, and Dept as 427.

MUCCIO

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 By **JAG** NARA Date **7/12/00**

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 Box **3901**

5070

PREPARING OFFICE WILL INDICATE WHETHER

OUTGOING TELEGRAM

PREPARING OFFICE WILL TYPE HERE CLEARLY THE CLASSIFICATION OF THE MESSAGE:

Collect

Department of State

Clear

PLAIN

Charge Department: XXXX

Washington

Charge to

JUN 20 1947

AMLEGATION,

VIENNA.

436 TWENTY

To avoid criticism based on misunderstanding facts request you arrange with USACA issue press release upon turn over Hungarian gold train to IGCR or such other occasion as appropriate. Should be cleared with Rep IGCR and date release coordinated with Joint Distribution Committee Paris, which plans issue supplementary statement regarding use of proceeds.

Request substance following be included in release:

So far as known so-called Hungarian gold train belonged to Jews of what SS loot brought into US and Fr zones, Austria. is now Hungary, Slovakia (Czechoslovakia), Transylvania (Rumania), Return of particular items to individual owners would be impossible both because difficulty identification and death, emigration, transfers of sovereignty.

Delivery to IGCR accordingly made by Theater Commander pursuant directive this Government governing valuables looted from Nazi victims which cannot be restituted. Directive is US interpretation Article 8, Paris Reparations Agreement which provides "non-monetary gold" used assist non repatriable

Victims German action. Pursuant agreement Paris, June 14, 1946 by Five Powers charged with implementation Article 8 (US, UK, France, Yugoslavia, Czecho) by eighteen signatories Paris Reparations Agreement, 90 percent proceeds

JH

179

(1)

ASB

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CLASSIFICATION

Department:

Department of State

Charge to

Washington

-2-

proceeds "non-monetary gold" will be delivered American Jewish Joint
Distribution Committee and Jewish Agency for Palestine for use on approved
projects of resettlement and rehabilitation.

If estimate value not feasible, suggest description be made tending
negate exaggerated reports.

Marshall
isj

CODE ROOM: Repeat to London as 2656; for info. IGCR.

A-H: *W* NHemmeringer;nhj 6/18/47

Seen
as
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SE
(cleared with *Reilly*
GA) Todd

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DEPARTMENT OF STATE INSTRUCTION

2290

OFFICIAL USE ONLY

NO.: A-431 May 22, 1956

SUBJECT: Cultural Restitution

TO: The American Embassy, VIENNA

863.441/8-1055

Central Files
M/R
Miles

Reference is made to the Embassy's despatch No. 160, August 10, 1955.

A list of an additional sixty-five (65) works of art, for which evidence has been found identifying the source of each one and making restitution possible, is enclosed. These objects are among the works of art in Nazi collections found in Austrian repositories following World War II. The items bearing Munich Central Collecting Point numbers are among the 967 objects, hitherto unidentified, which were returned to Austria from the Munich Central Collecting Point in January 1952 and released to the Austrian Federal Government on July 22, 1955.

The Department of State is continuing to aid the Austrian Federal Government in the identification of former ownership. Information relating to each of the 65 objects listed supports the restitution of 33 items to Austria, 10 items to France, 19 items to Germany, and 3 items to Hungary.

Property cards, photographs, and documentation for the 65 objects are being forwarded, registered, under separate cover for transmission to Dr. Otto Demus, President, Bundesdenkmalamt, Hofburg, Vienna I.

DULLES

Enclosure: *[Handwritten signature]*

List of Paintings, Sculpture, etc., in Austria recommended for restitution...

Under Separate Cover:

Photostatic copies of property cards, photographs, English translation of documentation for 65 works of art.

863.441/5-2256

CS/W

863.441/5-2256

DC/R
Anal 79
Rev
Cec *[Handwritten initials]*

MAY 22 1956 P.M.

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DRAFTED BY: AM: ARHall:mm 5/22/56

APPROVED BY: AM: ARHall *[Handwritten initials]*

CLEARANCES: Chapin WE: Mr. *[Handwritten name]*

Cleared by phone *[Handwritten initials]*

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 By LAG NARA Date 7/12/00

RM/R

LIST OF PAINTINGS AND SCULPTURE, ETC., IN AUSTRIA RECOMMENDED FOR RESTITUTION
 BY THE DEPARTMENT OF STATE

Photostatic copies of the property cards, photographs of the objects (if found), and English translation of German documents giving evidence of the source of each object are being forwarded to the Austrian Government. The evidence given in English translation is in addition to the information recorded on the property card in Munich. All documents are available if required. "L. F." refers to the Linz Film or microfilm of the records of Hitler's acquisitions for the Linz Museum.

<u>To AUSTRIA</u>				
	1)	Munich	1573/	Aussee 1372
	2)	"	8825	" 4045
	3)	"	2444	" 1788/1
	4)	"	3057	" 2172
	5)	"	3075	" 2150
	6)	"	3598	" 2336
	7)	"	45106	" 9016
	8)	"	45175	" 9085
	9)	"	4310	" 2959
	10)	"	4311	" 2960
	11)	"	4952	" 3601
	12)	"	8690	" 3937
	13)	"	8759	" 3979
	14)	"	8852	" 4072
	15)	"	8958	" 4178
	16)	"	9036	" 4256
	17)	"	9124	" 4344
	18)	"	9770	" 4986
	19)	"	10033	" 5249
	20)	"	10751	" 5965
	21)	"	10342	" 5556
	22)	"	10664	" 5878
	23)	"	10795	" 6009
	24)	"	45071	" 8981
	25)	"	45073	" 8983
	26)	"	45074	" 8984
	27)	"	45075	" 8985
	28)	"	45089	" 8999
	29)	"	45126	" 9036
	30)	"	45141	" 9051
	31)	Salzburg	G-23	
	32)	Thurntal/Linz	E - 6	
	33)	"	" E - 17	

DRAFTED BY:

AM: ARHall:mm 5/22/56

AM: ARHall @ K N

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Chapin
 WE: Mr. Compton
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RM/R

LIST OF PAINTINGS AND SCULPTURE RECOMMENDED FOR RESTITUTION.

- To FRANCE:
- | | | |
|-----|----------------------------|---------------|
| 1) | Munich 2585/ | Aussas 1929 |
| 2) | " 2601/ | " 1945 (1945) |
| 3) | " 3534/ | " 2284 |
| 4) | " 4684/ | " 3333 |
| 5) | " 8804/ | " 4024 |
| 6) | " 8971/ | " 4191 |
| 7) | " 9177/ | " 4397 |
| 8) | " 9393/ | " 4613 |
| 9) | Salzburg B 28/ Fischhorn 8 | |
| 10) | Salzburg C 13 | |

DRAFTED BY: ARK
AM: ARHall: mm 5/22/56

APPROVED BY: AM: ARHall ARK 339477

CLEARANCES: Chapin
WE: Mr. ~~Compton~~
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LIST OF PAINTINGS RECOMMENDED FOR RESTITUTION.

- To GERMANY:
- 1) Munich 3033/ Aussee 2148
 - 2) Munich 4082/ " 2819
 - 3) " 8996/ " 4216
 - 4) " 9421/ " 4641
 - 5) " 10665/ " 5879
 - 6) " 11163/ " 6377
 - 7) " 9842 " 5058
 - 8) " 9901 " 5117
 - 9) " 9106 " 4326
 - 10) " 10779 " 5993
 - 11) " 11295 " 6509
 - 12) " 11300 " 6514
 - 13) " 11301 " 6515
 - 14) " 12108 " 7006
 - 15) " 12961 " 7781
 - 16) " 13282 " 8102
 - 17) Salzburg B 27/ Fischhorn 44
 - 18) Salzburg C 12
 - 19) Thurnthal

LIST OF ART OBJECTS RECOMMENDED FOR RESTITUTION.

- To HUNGARY:
- 1) Munich 4889/Aussee 3538
 - 2) Salzburg A/ (One Book)
 - 3) Salzburg A/ (Chest with table silver)

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DRAFTED BY: ARK
 AM: ARHall: mm 5/22/56

APPROVED BY:
 AM: ARHall ARK

CLEARANCES:
 WE: Mr. Chapin
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FOREIGN SERVICE DESPATCH

863.441/3-2852
 XR 262.6341

HICOG BOHN

APR 14 1952

2609

DESP. NO.

March 28, 1952

DATE

TO THE DEPARTMENT OF STATE, WASHINGTON.

REF

13 For Dept. Use Only	ACTION	DEPT.
	I/A	DCR EUR GER OLI L
mi	REC'D	I N F O
	APR 5	OTHER

SUBJECT: Works of Art Returned to Austria

Reference is herewith made to the transfer of 967 art objects from the Central Collecting Point in Munich to the custody of U. S. authorities in Austria. As will be recalled, the basis for this transfer was an administrative agreement made between the commanding generals in Austria and Germany in 1945, which subsequently grew into a commitment to the Austrian government. This commitment provides that the unidentified portion of the collection of art objects transferred from the Alt-Ansee and other Austrian repositories to the Collecting Point in Munich be returned to the custody of U. S. authorities in Austria for further disposition.

The following remarks and recommendations are made in order to assist the Department in determining what form this disposition shall take. In this connection, certain points should be taken into consideration:

a) The transfer has given rise to much adverse publicity, not only in the press, but in political and professional circles as well. In replying to criticism, our position is weakened by the fact that we cannot defend the action by referring to established restitution laws and practices, and that our only justification is that we had to fulfill a commitment made by military authorities in the early days of the occupation. Public opinion in Germany is still indignant over the affair, and is likely to remain so until a better solution is reached.

b) This is all the more regrettable since German art experts readily concede that the artistic and commercial values of the objects are only moderate (a fact which, however, has never been admitted in the press). Nevertheless, the collection contains a number of pieces which the Germans would like to have returned for sentimental reasons, e.g. the Lebach portrait of Perfall, an early 16th. In each of these cases exhaustive efforts have been made to trace their history in order to establish ownership, but without success. It is unlikely that further investigation of these and other objects will yield better results, and it is greatly questioned whether the value of the items warrants any additional expenditure of time and money.

Ehrenbach/ek
 REPORTER

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c) In all probability, the Austrians are not satisfied with our action either, as they expected the shipment to be both larger in size and higher in value. Above all, they were hopeful that the objects would be turned over to them with as few strings attached as possible. Instead of this, they have merely been transferred to the custody of U. S. authorities in Austria, which does not, however, release the Austrians from the obligation to go on with the process of identification, for which they are by no means well equipped.

d) Informal discussions, both with German and Austrian officials, have led us to believe that there is potential good will in responsible circles on both sides, and that a satisfactory disposition of these objects can be arranged at a conference table, with the assistance of U.S. advisors.

e) In the course of informal discussions with German officials concerned with cultural restitution, it has been pointed out by us that the Austrians during the Anschluss had contributed through taxes towards the costs of the Hitler collection, and that they were consequently entitled to recover their share of that portion of the collection which is not subject to restitution. This idea might well form the basis for discussions, and a system might accordingly be worked out for a fair division of the objects. Whatever decision is reached must, of course, respect the rights of claimants to individual objects, under existing external and internal restitution laws.

f) Should the Department accept these suggestions, it is recommended that U. S. representatives be instructed to sound out both sides, to ascertain the areas of agreement. A very likely person for this function might be Miss Ardelia HALL, who has announced her intention of visiting Austria and Germany in the near future. Depending on the outcome of the preliminary discussions, a meeting might then be arranged between delegates of both countries, with U. S. representatives present in the role of mediators. The results of such a meeting would then be submitted to the Department for its final approval.

Shepard Stone
 Director, Office of Public Affairs

UNCLASSIFIED

CC for AUSPOLAD, Vienna

SANA-H *Ch*

UNITED STATES MISSION
JUL 22 1946
VIENNA *JUL 3*

SECRET

C.I.

A 747

EMBASSY

PARIS (For Cohen, DUNN, REINSTEIN)

Since US draft treaties with Austria, Italy and Hungary are silent regarding participation of those countries in the German gold pot, it is necessary to make other arrangements for disposition of that matter. Fol notes present Department's views and suggest methods for dealing with these problems:

Austria: Questions are:

- (a) Should attempt be made to have gold found in Austria contributed to gold pot?
- (b) Should gold coins and other gold declared or delivered under MG law be included in contribution?
- (c) To what extent should Austria share in gold pot?
- (d) What methods should be used to achieve decisions reached on above questions?

863.4

In Potsdam Agreement USSR relinquished claim to gold captured by Allied troops in Germany. Dept has since received indication that USSR has not considered that Agreement applied to gold uncovered in Austria.

Dept's view is that gold uncovered in Austria or delivered under MG law, excluding Hungarian gold stock, should be contributed to gold pot. Austria should participate in distribution of gold found in Germany and Austria on pro-rata basis. As agreed with Fr and Brit as a condition to Fr acceptance of Swiss settlement, Austria and Italy should be excluded from participation in gold recovered in Switz.

While USSR should be notified of Dept's views, it is believed US Govt should act toward purpose described without requesting USSR approval or clearance. It may be mentioned that USSR objection to proposal is not anticipated.

Dept instructed its member on proposed TRI-PARTITE GOLD COMMISSION (BRUSSELS) to reach agreement with his FR and BRIT colleagues on GB and ITAL contribution and participation (Deptel 709 to Brussels, line 25).

339481

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If such agreement is reached, no serious difficulties are anticipated in securing agreement of other IARA countries to Austrian participation in pot.

Italy: Questions are same as for Austria except that there is no problem of gold declared under MG law, nor of a Hungarian gold stock. Dept's view is that Italian gold uncovered in Germany (which happens to be identifiable as Italian gold) should be merged in gold pot and that Italy should share on pro-rata basis as described for Austria above. Fr reservation regarding Austrian participation in gold recovered from Switz is applicable to Italy also. Since USSR is not concerned with Italian gold uncovered in Germany, it is not necessary to notify them of Dept's intent. They would hardly object to Italy receiving a share of gold uncovered in Germany. It is suggested that procedure described for achieving Austrian participation in gold pot be used for Italy as well.

Hungary: This question was settled as result of discussion between Secretary, Under Secretary and Hungarian Prime Minister. Latter was told that immediate steps would be taken to restore Hungarian gold to Hungary. Only proviso is that Hungarians should return any portions of gold, giving prior assurance that they will do this, which may later be determined to have been looted.

Copies to AMEMBASSY, Brussels; AUSPOLAD, Vienna; USPOIAD, Berlin

JONESON, ACTIVE

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HEADQUARTERS

UNITED STATES FORCES IN AUSTRIA

USACA SECTION

Reparations, Deliveries and Restitution Division

APO 777, U. S. ARMY

REPORT ON CLAIMS AND RESTITUTIONS AS OF 30 JUNE 1948

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339483

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 UNITED STATES FORCES IN AUSTRIA
 USACA SECTION
 Reparations, Deliveries and Restitution Division
 Reparations and Restitution Branch

RESTITUTIONS RECAPITULATION AS OF 30 JUNE 1948

Country	Claims Received	Claims RESTRICTED Dropped	Restitutions Effected	Claims Pending
<u>West</u>				
American Citizens	38	14	-	24
Austria	113	16	60	37
Belgium	60	20	12	28
Britain	8	3	1	4
France	379	114	99	166
Germany	43	5	14	24
Greece	6	2	1	3
Italy	380	89	32	259
Luxembourg	1	1	-	-
The Netherlands	132	54	41	37
Norway	4	-	1	3
Turkey	1	1	-	-
UNO	3	-	3	-
Sub-Totals	1168	319	264	585
<u>East</u>				
Bulgaria	1	-	1	-
Czechoslovakia	440	285	68	87
Hungary	1205	1031 **	157	17
Poland	211	62	101	48
Rumania	26	1	5	20
Soviet Union	30	9	17	4
Yugoslavia	211	101	77	33
Sub-Totals	2124	1489	426	209
Grand Totals	3292	1808	690	794
Percentages	100%	54.9%	20.9%	24.2%

Restitution Program - 75.8% completed

- * Claims dropped because of duplication, location outside U.S. Zone, or failure to substantiate claim.
- ** Also included in the number of claims dropped are 699 Hungarian claims which were released to the Austrian Government for disposition. The release of this large number of claims from U.S. Control represents 47% of all claims pending for restitution action.

339484

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HEADQUARTERS
 UNITED STATES FORCES IN AUSTRIA
 USACA SECTION

Reparations, Deliveries and Restitution Division
 Reparations and Restitution Branch

BREAKDOWN OF COMPLETED RESTITUTIONS BY PERCENTAGES
 As of 30 June 1948

	Total Completed Restitutions		Art		Industrial		Transportation		Other Properties	
	No.	%	No.	%	No.	%	No.	%	No.	%
Austria	60	8.7	54	90	-	-	-	-	6	10
Belgium	12	1.7	5	41.5	6	50	1	8.5	-	-
Bulgaria	1	0.1	-	-	-	-	1	100	-	-
Czechoslovakia	68	9.9	11	16.2	14	20.6	26	38.2	17	25
France	99	14.9	29	29.3	30	30.3	29	29.9	11	11.1
Germany	14	2.0	14	100	-	-	-	-	-	-
Greece	1	0.1	-	-	-	-	-	-	1	100
Hungary	157	22.8	5	3.2	20	12.7	73	46.5	59	37.6
Italy	32	4.7	4	12.5	22	68.7	3	9.4	3	9.4
Netherlands	41	6.0	21	51.2	12	29.3	3	7.3	5	12.2
Norway	1	0.1	-	-	1	100	-	-	-	-
Poland	101	14.7	73	6.9	73	72.3	9	8.9	12	11.9
Romania	5	0.7	-	-	1	-	3	-	1	-
Soviet Union	17	2.5	2	11.8	12	70.5	1	5.9	2	11.8
Yugoslavia	77	11.2	1	1.3	30	39.0	12	15.6	34	44.1
British Subjects	1	0.1	-	-	-	-	-	-	1	100
U.N.O.	3	0.4	-	-	-	-	-	-	3	100
TOTALS	690	100 %	153	22.2 %	221	32.0 %	161	23.4 %	155	22.4 %

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Reparations, Deliveries & Restitution Division
 Reparations and Restitution Branch

ESTIMATED EVALUATION OF COMPLETED RESTITUTIONS
 As of 30 June 1948

Country	Art	Industrial Equip	Transport Equip	Other Properties	Totals
American	-	-	-	-	-
Austria	143,625,800	-	-	206,600	143,832,400
Belgium	135,000	49,400	75,000	-	259,400
British Subjects	-	-	-	2,000	2,000
Bulgaria	-	-	140,000	-	140,000
Czechoslovakia	59,700	191,050	5,114,450	108,050	5,473,250
France	1,207,500	1,540,450	766,200	1,697,550	5,211,700
Germany	1,308,500	-	-	-	1,308,500
Greece	-	-	-	1,000	1,000
Hungary	1,379,000	3,938,000	980,000	5,679,100	11,976,100
Italy	2,020,000	1,552,200	71,800	533,000	4,177,000
Netherlands	1,227,500	3,657,750	175,000	59,350	5,119,600
Norway	-	600,000	-	-	600,000
Poland	1,118,500	7,833,200	2,144,500	23,250	11,119,450
Rumania	-	36,000	267,000	5,000	308,000
Soviet Union	400	78,700	3,000	75,100	157,200
Turkey	-	-	-	-	-
U.N.C.	-	-	-	45,800	45,800
Yugoslavia	5,000	975,000	428,100	1,211,100	2,619,200
TOTALS	152,086,900	20,451,750	10,165,050	9,640,900	192,344,600
PERCENTAGES	79.1 %	10.6 %	5.3 %	5.0 %	100 %

Note: Estimated values based on current U.S. Dollar prices.

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HEADQUARTERS
 UNITED STATES FORCES IN AUSTRIA
 USAFA SECTION
 Reparations, Deliveries and Restitution Division
 Reparations and Restitution Branch

BREAKDOWN OF COMPLETED RESTITUTIONS BY FREIGHT CARLOADS
 As of 30 June 1948

Country	Art	Industrial Equipment	Transport Equipment	Other Properties	Total
Austria	238	0	0	2	240
Belgium	9	8	9	0	26
Bulgaria * (1)	0	0	0	0	0
Czechoslovakia * (2)	92	16	24	61	173
France	91	66	220	6	383
Germany	16	0	0	0	16
Hungary * (3)	12	185	271	116	574
Italy	46	955	15	19	1035
Netherlands * (4)	10	200	6	10	226
Norway	0	0	120	0	120
Poland	12	365	193	25	595
Rumania * (5)	0	2	94	0	96
Soviet Union	2	16	1	0	19
Yugoslavia * (6)	2	78	37	10	127
Others	0	0	0	3	3
TOTALS	372	1312	930	176	2790
PERCENTAGES	13.3 %	47.1 %	33.3 %	6.3 %	100 %

Note: Additional Restitutions not listed above:

- * (1) - 2 Barges
- * (2) - 18 Barges
- * (3) - 252 Unserviceable Freight Cars and 5 Barges
- * (4) - 1 Tugboat
- * (5) - 2 Barges
- * (6) - 2 Barges

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CONFIDENTIALANALYSIS OF RESTITUTIONS U.S. ZONE AUSTRIA, JANUARY TO JUNE 19481. CLAIMS RECEIVED

As of 30 June 1948, the U.S. Zone of Austria had received 3292 claims for restitution of looted property, amounting to an increase of 527 claims (19%) over the past six month period.

The peak month during this report period was in March 1948, when 166 new claims were filed, 62% of which originated from Italy; similarly Italy filed the largest number of claims - 298 (45%) - during the past six months.

Of the total of 3292 claims filed to date, Hungary has submitted the largest number of claims - 1205 (37%). Czechoslovakia is second with 440 (13%), Italy third with 380 (11%), followed closely by France with 379, Poland and Yugoslavia with 211 each and The Netherlands with 132 claims.

Analyzing the number of claims received from the various claimant nations into the two areas West and East, (the latter including Allied and ex-enemy nations which lie within the Soviet sphere of influence), it will be observed that 2124 claims (64%) were filed by the Eastern nations. This is caused by the fact that the Germans deposited in Austria, on a tonnage basis, much more property looted from the East than from the West, thus resulting in a larger number of restitution claims received from the Eastern nations. It is interesting to note that in this respect the restitution problem in the U.S. Zone of Austria is different from the U.S. Zone of Germany, where the largest number of claims are being received from the Western nations.

2. CLAIMS DROPPED

A very large number of claims received from both Allied and ex-enemy nations have been dropped. Several reasons account for this, such as (1) duplicate claims were already on file, (2) the

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property could not be located in the U.S. Zone of Austria,

(3) the property was dissipated, looted or otherwise disposed

of in the summer of 1945 by either the previous Russian

occupiers, U.S. Army, displaced persons or Austrian civilians,

(4) claim was not valid under existing restitution directives,

(5) inadequate proof of ownership.

In addition, under "claims dropped" during this report period are also included 693 Hungarian claims which were released to the Austrian Government for disposition, according to instructions contained in JCS directive WL-98298 of 26 March 1948,

terminating the restitution to ex-enemy nations. The total

number of claims dropped shows, therefore, a sharp increase of nearly 106% from 878 in December 1947 to 1808 by June 1948.

Apart from Hungary, which is thus leading with 1031 (85%) of its claims dropped, the second largest number of claims, 265, were dropped from Czechoslovakia, which amounts to 65% of the claims filed by this country.

As may be seen from Table I, 54.9% of the claims received up to 30 June 1948 were declared "dropped". On an area basis, 70% of the Eastern claims and 27% of the Western claims were dropped during the past 6 months. The high percentage figure for the East is of course due to the termination of restitution to ex-enemy nations.

Considering the total number of claims dropped to date - 1808 and the number of restitutions effected - 690, the percentage figure of total number of claims dropped (54.9%) as listed on Table I is even higher. Under these considerations, 72% of all the claims under direct consideration for restitution are being dropped for one reason or another.

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~~CONFIDENTIAL~~9. RESTITUTIONS MADE

Of the 690 restitution deliveries from the U.S. Zone of Austria completed since the beginning of the restitution program, 172 (25%) were made during the past six months. In the past, industrial equipment, such as machine tools, electric machinery and transport equipment, made up most of the shipments. A wide range of materials, however, was represented in the claims satisfied during the six month period, including a large shipment of paintings, silk, wool and cotton material, motor vehicles and valuable machine tools sent to France; 43 cases of historical documents and geographic maps, 3 locomotives and 14 freight carloads of industrial equipment sent to Belgium; one freight carload of dental equipment, one Danube river boat, tank cars, automobiles and fire-fighting equipment sent to Czechoslovakia; 5 tractors, electrical equipment, medical instruments and icons sent to Soviet Union; 34 cases of miscellaneous hand tools sent to Rumania; 50 tons of asbestos material and 60 freight carloads of oil refinery equipment sent to Italy; horses, automotive spare parts, scientific instruments and technical books sent to Hungary; 13 flasks of mercury and telegraph apparatus to Yugoslavia; and more than \$2,000,000 worth of looted art objects, including paintings, antique jewelry, books and furnishings were returned to the Austrian Government.

As already reported in the summary report for 31 December 1947, the effect of restitutions upon the Austrian economy became increasingly more noticeable and impeding the execution of the restitution program in the U.S. Zone was more difficult than in the initial stages. Notwithstanding these difficulties, the number of restitutions completed to date shows an increase of 33% over the number of restitutions completed on 31 December 1947.

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Following the general trend, restitutions to the East amounted to 426 (62%) and to the West only 264 (38%).

The largest number of effected restitutions (37%) was made to Hungary. Poland is second with 101 (15%) and France is third with 99 (14%).

On a current U.S. dollar basis, the total value of completed restitutions increased during the past six months from \$148,743,450 to \$192,344,600. More than \$152,086,000 or 79.1% pertain to art restitution deliveries, 10.6% to industrial equipment, 5.3% to transport equipment and 5% to other properties. Almost 96% of the entire value of completed art restitutions have been monuments and fine arts objects which were returned to the Austrian Government, a process which began in the summer of 1945 upon the discovery of huge deposits of looted art works in the saltmine of Alt Aussee and other storage places in the U.S. Zone.

From the shipment of industrial equipment, amounting to a total of \$20,451,570, nearly 64% (\$13,051,950) was sent to the East and 36% (\$7,399,600) to the West. A still sharper contrast on a dollar basis exists in transport equipment where from a total value of \$10,165,050, 89% was sent to Eastern nations and only 11% to Western nations.

With regard to the quantitative evaluation of the completed restitutions, 544 freight carloads with restitutable goods were shipped during the past six months from the U.S. Zone of Austria. The total amount of freight carloads shipped to date is 2790, an increase of 23% against the December 1947 figure of 2334 carloads. Analyzing again by areas the principal restitution categories, industrial and transport equipment, the difference between the two areas East and West, however, is not as distinct as on a dollar basis. Only 52% of the carload shipments of industrial equipment

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was sent East and 49% West; similarly 60% of the carload shipments in transport equipment was directed to Eastern nations and 40% to Western nations.

It is again noteworthy that on a monetary basis, art restitutions were 79.1% of the total value of completed restitutions, but dropped to 22.4% based on the number of effected restitutions and on a freight carload basis to 19.9% only.

Combining the number of claims dropped and the number of completed restitutions, the restitution program for the U.S. Zone of Austria is now over 75% completed, as compared to 50% in December 1947 and 34% in December 1946.

4. CLAIMS PENDING

From the total number of 3292 claims filed to date, 794 (24.2%) claims were pending at the end of this report period as against 1369 (49.5%) claims on 31 December 1947. Included therein are all claims which have not been dropped, or for which restitution has not been made or which are still under investigation. It does not include properties under control for which no claim has been presented nor does it include properties uncovered by the looted property declaration law of May 1946.

It may be noted that 17 Hungarian claims are still listed as pending. Although the responsibility for the restitution program to ex-enemy nations was transferred to the Austrian Government on 19 April 1946, and 699 Hungarian claims were referred to the Austrian Government for disposition, 17 different Hungarian claims, including the Manfred Weig properties, have been retained under U.S. control.

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Ruling Backs Rights Of Austrians in U. S.

By the Associated Press

NEW YORK, Aug. 19.—Austrian citizens who were in the United States when their country was absorbed by Germany are not enemy aliens, according to a ruling of the United States Circuit Court of Appeals.

The court held yesterday that the German decree of July 3, 1938, automatically making Austrians everywhere German citizens, could not impose German nationality on non-resident Austrians without their consent.

The ruling rejected a contention of the United States attorney's office that the decree was valid and recognized by the United States.

In Washington, State Department officials said the United States Government had never recognized the German absorption of Austria.

In making its decision the Circuit Court of Appeals reversed a Federal Court order which had dismissed a writ of habeas corpus and had directed internment as an enemy alien of Dr. Paul Schwarzkopf, a prominent metallurgist born in Czechoslovakia who at one time was naturalized German but later became an Austrian citizen.

Dr. Schwarzkopf was in this country when the Germans invaded Austria. The court ruled that he had the right of selecting his future citizenship and was not bound by the German decree.

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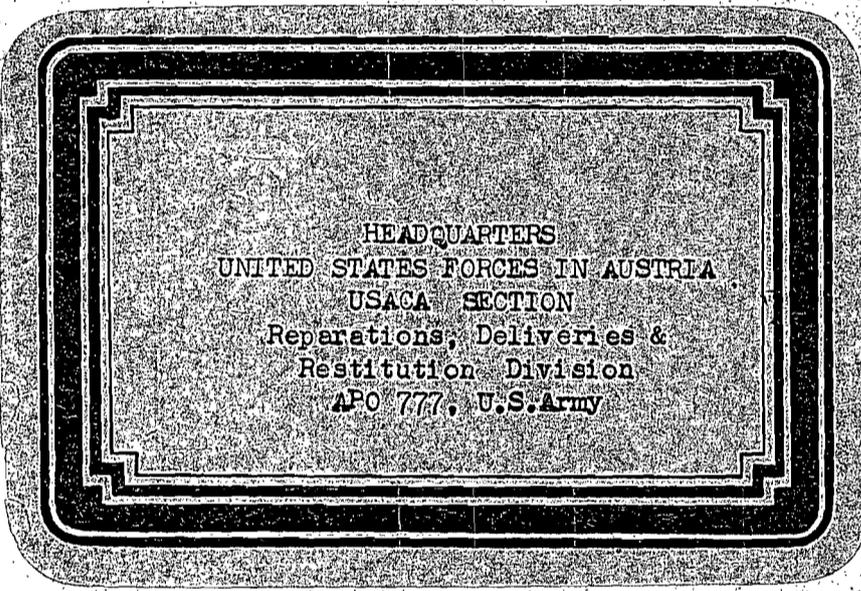
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REPARATIONS & RESTITUTION - AUSTRIA
"Summary Report on Claims and Restitutions"



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UNITED STATES FORCES IN AUSTRIA
USACA SECTION
Reparations, Deliveries & Restitution Division
APO 777, U.S. Army

SUMMARY REPORT ON CLAIMS AND RESTITUTIONS
As of 31 December 1948

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REPORT OF CLAIMS AND RESTITUTIONS AS OF 31 DECEMBER 1948

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Authority NMB 785077By BT NARA Date 7/11RG 407Entry 368BFile SUMMARY REP. ON CLAIMS & RESTITUTIONSBox 1432**CONFIDENTIAL****ANALYSIS OF RESTITUTIONS FROM U.S. ZONE, AUSTRIA****1 JULY TO 31 DECEMBER 1948****1. CLAIMS RECEIVED**

As of 31 December 1948, 3566 restitution claims were received from the various claimant nations for looted property allegedly located in the US Zone of Austria. During the past 6 months period, 274 claims were received from claimant Nations as compared to 527 claims received during the preceding 6 months period. This decided decrease in the number of claims received can be accounted for in part by the fact that restitution to the ex-enemy nations was terminated in March 1948, and to the co-belligerent nation, Italy, in October 1948. Also, since the trend in the number of claims received is toward a decrease, it can be assumed that the claimant nations have had sufficient time since the beginning of the restitution program to have submitted claims for virtually all properties which might have been relocated to the US Zone of Austria.

Of the new claims received during this report period, 50.1 % were for art properties, 29.8 % for industrial equipment, 10.4 % for transport equipment, and 9.7 % for miscellaneous properties. Yugoslavia filed 123 claims, the largest number submitted by any one nation, of which 72 % were claims for art properties.

Restitution claims received from the Soviet Union and countries within the Soviet orbit constitute 60 % of all claims received during this report period. Accordingly, of the total number of claims received (3566), 64.2% were filed by the Eastern nations as compared to 35.8% filed by the Western nations.

2. CLAIMS DISALLOWED OR DROPPED

Of the total number of claims received from all nations, 2201 (61.8%) have been disallowed or dropped. Included in the number of disallowed or dropped claims are 710 Hungarian claims and 145 Italian claims which were released to the Austrian Government for disposition in accordance with JCS directives WX-98298 of 26 March 1948.

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and WX-88224 of 27 August 1948 (confirmed by WX-89108 of 14 September 1948), which directed the termination of restitution to ex-enemy nations and Italy respectively. Excluding the 855 Hungarian and Italian claims dropped from our files and released to the Austrian Government, 37.8% (1353 claims) of all claims received have been dropped for one or more of the following reasons: (a) duplicate claims were already on file, (b) the property could not be located in the US Zone of Austria, (c) the property was dissipated, looted or otherwise disposed of in the summer of 1945 by either the previous Russian occupiers, the US Army, displaced persons, or Austrian civilians, (d) claim was not valid under existing restitution directives, (e) inadequate proof of ownership.

The number of claims dropped during this report period total 245 (not including the Italian claims released to the Austrian Government), 57% of which were claims submitted by the Western nations. Excluding the 855 Hungarian and Italian claims dropped from our files, of the total number of claims dropped, 66.5% were claims filed by the Eastern nations and 33.5% were claims filed by the Western nations.

3. RESTITUTIONS MADE

Since the beginning of the restitution program, 888 restitution deliveries were made from the U.S. Zone of Austria, including the U.S. Sector of Vienna, of which 198 (22.3%) were completed during the last 6 months period. During this report period restitutions were effected on the various categories of property as follows: art properties 21 (10.8%), industrial equipment 137 (70.2%), transport equipment 24 (12.3%), and other properties 13 (6.7%). Of the number of restitutions completed during the last 6 months, Italy received 52 %, the greater part of which represented industrial equipment; however, of the total restitutions completed to date, Hungary remains in first place with 19% of the total, France second with 15%, and Italy third with 14%. The total number of restitutions

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effected by categories of property is indicated on Table IV as follows: industrial equipment 40.2%, transport equipment 21.2%, and art properties and other properties 19.3% each.

Materials having a value estimated at \$2,920,000 were returned to claimant nations during the last 6 months. Properties returned to France, valued at \$1,292,650 included two "Alsthom" transformers from Braunau-Ranshofen, and 92 machine tools (lathes, milling machines, etc) from various factories in Land Salzburg and Land Upper Austria. Rolling stock consisting of 34 tank cars were released, and the restitution of motor vehicles to France from the US Zone of Austria was virtually completed with the return of over 469 vehicles. Art properties released included 58 cases of the Edward Gordon Craig theater collection, 9 cases being recovered from the Alt-Aussee Saltmine and 49 cases from Schloss Ebenweier, near Gmunden. Other art objects released included 11 paintings, antique furniture and archives.

Italy received properties valued at \$318,000 during this report period, 93% of which consisted of 138 machine tools of various types and other miscellaneous industrial equipment. Also released to the Italian Government were motor vehicles and automotive spare parts. Poland placed third in the value of property received during this period. The property released consisted of railway rolling stock, machine tools, electrical equipment, art objects and miscellaneous items of personal property. The remaining restitutions completed were made to Belgium, Germany, The Netherlands, Czechoslovakia, and Yugoslavia, and the properties released consisted primarily of machine tools, archives, electrical equipment, motor vehicles, and objects of art.

On a current US dollar basis, the total value of restitutions completed increased from \$192,344,600 to \$195,264,600 during the last 6 months. Of the total value of property restituted, \$153,160,100 (78.4%) represents art objects, \$21,384,450 (11%) industrial equipment,

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\$11,023,850 (5.6%) transport equipment, and \$9,698,200 (5%) other properties. Of particular significance is the fact that of the art objects restituted, 93.5% were returned to the Austrian Government.

A breakdown of the total estimated evaluation of completed restitutions by area indicates that 83.6% of the property restituted was returned to Western nations, and 16.4% to the Eastern nations; however, a further consideration of the breakdown discloses that of the properties returned to the Western nations, 93% are fine arts objects. The Soviet satellite nations have received 61.3% of all industrial equipment restituted from the US Zone of Austria as compared with 38.7% returned to Western nations. Similarly, transport equipment returned to Eastern nations accounts for 83.5% of the total value of the property restituted as compared with 16.5% to the Western nations, and miscellaneous properties were returned on the basis of 73.6% to Eastern nations and 26.4% to Western nations.

With regard to volume of completed restitutions computed in metric tons, approximately 49,035 tons of property were returned to claimant nations. Industrial equipment restituted accounted for 47.5% of the total volume of property delivered, transport equipment 35.7%, art properties 11.4%, and other properties 5.4%.

4. CLAIMS PENDING

Of the total number of claims filed to date, 477 (13.4%) claims were pending at the end of the report period as compared to 794 (24.2%) claims pending on 30 June 1948. This considerable decrease in the number of claims remaining for consideration can be accounted for largely by the release of all Italian claims to the Austrian Government for disposition. The largest number of claims on which investigations are continuing are those filed by Yugoslavia, France, Czechoslovakia and Poland, in the order named. A further analysis of the progress of the restitution program in the US Zone of Austria indicates that the restitution program is 86.6% complete as compared to 75% on 30 June 1948.

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REPARATIONS, DELIVERIES AND RESTITUTION DIVISION
 Reparations and Restitution Branch

STATUS OF RESTITUTION CLAIMS

TABLE I

COUNTRY	Claims Received			Claims Disallowed or Dropped *			Restitutions Completed			Claims Pending		
	31 December 1946	1947	1948	1946	1947	1948	1946	1947	1948	1946	1947	1948
Austria	31	98	126	0	3	30	31	46	60	0	49	36
Belgium	4	43	65	1	14	31	1	2	13	2	27	21
British Subjects	0	8	8	0	1	5	0	1	1	0	6	2
Bulgaria	1	1	1	0	0	0	0	1	1	1	0	0
Czechoslovakia	304	394	453	208	270	300	18	44	80	78	80	73
France	69	328	418	11	57	156	22	85	141	36	187	121
Germany	8	34	46	0	0	8	6	12	16	2	22	22
Greece	1	5	7	0	2	6	1	1	1	0	2	0
Hungary	576	1146	1205	3	288	1048**	32	120	157	541	742	0
Italy	106	142	417	0	89	281**	6	14	136	100	35	0
Luxembourg	1	1	1	1	1	1	0	0	0	0	0	0
Netherlands	77	121	142	8	44	62	31	36	50	38	41	30
Norway	2	2	5	0	0	0	0	1	1	2	1	4
Poland	110	172	232	23	48	81	39	78	118	48	46	33
Rumania	12	25	26	0	0	21	0	4	5	12	21	0
Soviet Union	4	24	35	0	5	11	2	11	17	2	8	7
Turkey	0	1	1	0	1	1	0	0	0	0	0	0
U.N.O.	0	2	3	0	0	0	0	2	3	0	0	0
U.S. Citizens	0	38	39	0	7	15	0	0	0	0	31	24
Yugoslavia	63	180	336	9	48	144	11	60	88	43	71	104
Totals :	1369	2765	3566	264	878	2201	200	518	888	905	1369	477
Percentages :		100 %		19	32	62	15	19	25	66	49	13

Progress of Restitution Program by Percent

31 December 1946 - 34 % complete
 31 December 1947 - 51 % "
 31 December 1948 - 87 % "

* Claims disallowed because of duplication, location outside U.S. Zone of Austria or failure to substantiate claim.

** Also included in this number are 710 Hungarian and 145 Italian claims which were released to the Austrian Government for disposition and dropped from our records.

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TABLE III

COUNTRY	ART		
	31 December		
	1946	1947	1948
Austria	1650	3540	3573 3/4
Belgium	7 1/2	7 1/2	45
British Subjects	0	0	0
Bulgaria	0	0	0
Czechoslovakia	60	135	146 1/2
France	180	367 1/2	472 1/2
Germany	180	240	240
Greece	0	0	0
Hungary	3 1/2	22 1/2	22 1/2
Italy	690	690	690
Luxembourg	0	0	0
Netherlands	130	150	176 1/2
Norway	0	0	0
Poland	180	180	187 1/2
Rumania	0	0	0
Soviet Union	0	37 1/2	37 1/2
Turkey	0	0	0
U.N.O.	0	0	0
U.S. Citizens	0	0	0
Yugoslavia	30	30	30
Totals:	3111	5400	5621 1/2
Percentages:	21.7	15.4	11.4

Note: Additional Restitutions in

- (1) 2 Barges
- (2) 18 Barges
- (3) 252 Unserviceable Freight c
- (4) 1 Tugboat
- (5) 2 Barges
- (6) 2 Barges

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 Authority NND 785077
 By BT NARA Date 7/11

RG 407
 Entry 368B
 File SUMMARY REP. on CLAIMS & RESTITUTIONS
 Box 1432

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REPARATIONS, DELIVERIES AND RESTITUTION DIVISION
 Reparations and Restitution Branch
 COMPLETED RESTITUTIONS FROM THE U. S. ZONE AUSTRIA
 in Metric Tons

INDUSTRIAL EQUIPMENT			TRANSPORT EQUIPMENT			OTHER PROPI	
31 December			31 December			31 December	
1946	1947	1948	1946	1947	1948	1946	1947
0	0	0	0	0	0	12	22 ½
0	7 ½	142 ½	0	0	135	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
70	105	240	150	180	517 ½	30	45
540	900	1571 ½	0	960	7117 ½	30	67 ½
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
2100	2670	2775	60	3615	4072 ½	620	1447 ½
0	3480	6412 ½	0	15	862 ½	50	285
0	0	0	0	0	0	0	0
2310	2985	3000	90	90	90	45	45
0	18 00	1800	0	0	0	0	0
4890	5422 ½	5857 ½	0	2895	3577 ½	0	22 ½
0	0	30	0	510	510	0	7 ½
30	142 ½	255	0	0	15	15	15
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	30
0	0	0	0	0	0	0	0
135	1147 ½	1196 ½	0	540	570	150	157 ½
10015	18660	23280	300	8805	17467 ½	952	2145
69.6	53.3	47.5	2.1	25.2	35.7	6.6	6.1

1947 not listed above.

rs (empty) and 5 Barges

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RG 407
 Entry 368B
 File SUMMARY REP. ON CLAIMS RESERVATIONS
 Box 1432

ARTIES	TOTALS		
	1948	31 December	
	1946	1947	1948
22 1/2	1662	3562 1/2	3596 1/2
0	7 1/2	15	322 1/2
0	0	0	0
0	0	0	0
101 1/2	310	465	1005
82 1/2	750	2295	9243 3/4
0	180	240	240
0	0	0	0
1747 1/2	2783 1/2	7755	8617 1/2
285	740	4470	8250
0	0	0	0
146 1/2	2575	3270	3412 1/2
0	0	1800	1800
48 3/4	5010	8520	9671 1/2
7 1/2	0	517 1/2	547 1/2
15	45	195	322 1/2
0	0	0	0
30	0	30	30
0	0	0	0
180	315	1875	1976 1/2
2666 1/2	14978	35010	49095
5.4		100 %	

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TABLE II

COUNTRY	ART			INDU
	31 December			1946
	1946	1947	1948	
Austria	61,618,500	141,620,800	143,625,800	0
Belgium	20,000	20,000	135,000	0
British Subject	0	0	0	0
Bulgaria	0	0	0	0
Czechoslovakia	32,900	56,400	59,700	91,450
France	819,450	1,011,850	2,253,550	1,329,000
Germany	1,257,000	1,297,000	1,310,500	0
Greece	0	0	0	0
Hungary	1,000,000	1,377,000	1,379,000	1,360,000
Italy	2,020,000	2,020,000	2,020,000	0
Luxembourg	0	0	0	0
Netherlands	1,057,000	1,107,500	1,251,150	3,400,750
Norway	0	0	0	0
Poland	1,110,000	1,110,000	1,120,000	7,500,000
Rumania	0	0	0	0
Soviet Union	0	300	400	10,000
Turkey	0	0	0	0
U.N.O.	0	0	0	0
U.S. Citizens	0	0	0	0
Yugoslavia	5,000	5,000	5,000	46,500
Totals:	68,933,850	149,625,850	153,160,100	13,731,700
Percentages:	72.9	79.3	78.4	14.6

339506

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REPARATIONS, DELIVERIES AND RESTITUTION DIVISION

Reparations and Restitution Branch

ESTIMATED EVALUATION OF COMPLETED RESTITUTIONS IN U.S. ZONE AUSTRIA

Values based on U.S. Dollar prices

TRIAL EQUIPMENT		TRANSPORT EQUIPMENT			OTHER PROPERTY	
1 December 1947	1948	1946	31 December 1947	1948	1946	31 December 1947
0	0	0	0	0	106,600	206,600
6,400	53,400	0	0	75,000	0	0
0	0	0	0	0	0	2,000
0	0	0	140,000	140,000	0	0
142,050	191,050	5,014,000	5,066,500	5,118,850	79,000	100,000
1,489,450	2,102,950	0	587,000	1,434,200	1,657,362	1,667,850
0	0	0	0	0	0	0
0	0	0	0	0	1,000	1,000
3,920,000	3,938,000	98,000	943,600	980,000	4,432,000	5,626,400
1,215,000	1,849,800	0	1,000	128,200	33,000	533,000
0	0	0	0	0	0	0
3,650,750	3,657,750	175,000	175,000	175,000	52,000	52,350
600,000	600,000	0	0	0	0	0
7,780,850	7,888,100	0	2,141,200	2,274,500	0	8,200
0	36,000	0	267,000	267,000	0	5,000
73,900	78,700	0	0	3,000	75,000	75,000
0	0	0	0	0	0	0
0	0	0	0	0	0	45,500
0	0	0	0	0	0	0
967,700	986,700	0	423,525	428,100	69,500	1,208,775
19,846,100	21,382,450	5,287,000	9,744,825	11,023,850	6,505,462	9,531,675
10.5	11.00	5.6	5.2	5.6	6.9	5.0

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 Authority NND 785077
 By BT NARA Date 7/11

RG 407
 Entry 368A
 File SUMMARY REPORT ON
CLAIMS + RESERVATIONS
 Box 1432

TABLE II

COUNTRY	ART			INDU
	31 December			1946
	1946	1947	1948	
Austria	61,618,500	141,620,800	143,625,800	0
Belgium	20,000	20,000	135,000	0
British Subject	0	0	0	0
Bulgaria	0	0	0	0
Czechoslovakia	32,900	56,400	59,700	91,450
France	813,450	1,011,850	2,253,550	1,323,000
Germany	1,257,000	1,297,000	1,310,500	0
Greece	0	0	0	0
Hungary	1,000,000	1,377,000	1,379,000	1,360,000
Italy	2,020,000	2,020,000	2,020,000	0
Luxembourg	0	0	0	0
Netherlands	1,057,000	1,107,500	1,251,150	3,400,750
Norway	0	0	0	0
Poland	1,110,000	1,110,000	1,120,000	7,500,000
Rumania	0	0	0	0
Soviet Union	0	300	400	10,000
Turkey	0	0	0	0
U.N.O.	0	0	0	0
U.S. Citizens	0	0	0	0
Yugoslavia	5,000	5,000	5,000	46,500
Totals:	68,933,850	149,625,850	153,160,100	13,731,700
Percentages:	72.9	79.3	78.4	14.6

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 Authority NND 785077
 By BT NARA Date 7/11

RG 407
 Entry 368B
 File SUMMARY REP. ON CLAIMS & RESTITUTIONS
 Box 1432

ITEMS	TOTALS			
	1948	1946	31 December 1947	1948
	206,600	61,725,100	141,827,400	143,832,400
	0	20,000	26,400	263,400
	2,000	0	2,000	2,000
	0	0	140,000	140,000
	123,050	5,217,350	5,364,950	5,492,650
	1,713,650	3,793,812	4,756,150	7,504,350
	0	1,257,000	1,297,000	1,310,500
	1,000	1,000	1,000	1,000
	5,673,100	6,890,000	11,867,000	11,970,100
	533,000	2,053	3,769,000	4,531,000
	0	0	0	0
	59,850	4,684,750	4,985,600	5,143,750
	0	0	600,000	600,000
	31,400	8,610,000	11,040,250	11,314,000
	5,000	0	272,000	308,000
	75,100	85,000	149,200	157,200
	0	0	0	0
	45,800	0	45,500	45,800
	0	0	0	0
	1,228,650	121,000	2,605,000	2,648,450
	9,698,200	94,458,012	188,748,450	195,264,600
	5.0		100 %	

HEADQUARTERS
 UNITED STATES FORCES IN AUSTRIA
 USACA SECTION
 Reparations, Deliveries and Restitution Division
 Reparations and Restitution Branch

TABLE IV

BREAKDOWN OF COMPLETED RESTITUTIONS BY PERCENTAGE
 as of 31 December 1948

Country	Total completed Restitutions		Art		Industrial		Transportation		Other Properties	
	No.	%	No.	%	No.	%	No.	%	No.	%
Austria	60	6.8	54	90.0	-	-	-	-	6	10.0
Belgium	13	1.4	5	38.4	7	53.8	1	7.8	-	-
Bulgaria	1	0.1	-	-	-	-	1	100.0	-	-
Czechoslovakia	80	9.0	11	13.7	14	17.5	37	46.3	18	22.5
France	141	15.9	36	25.5	48	34.1	41	29.1	16	11.3
Germany	16	1.8	16	100.0	-	-	-	-	-	-
Greece	1	0.1	-	-	-	-	-	-	1	100.0
Hungary	157	17.7	5	3.2	20	12.7	73	46.5	59	37.6
Italy	136	15.3	4	2.9	123	90.5	6	4.4	3	2.2
Netherlands	50	5.6	29	58.0	12	24.0	3	6.0	6	12.0
Norway	1	0.1	-	-	1	100.0	-	-	-	-
Poland	118	13.3	8	6.8	82	69.5	11	9.3	17	14.4
Rumania	5	0.6	-	-	1	20.0	3	60.0	1	20.0
Soviet Union	17	1.9	2	11.8	12	70.5	1	5.9	2	11.8
Yugoslavia	88	10.0	1	1.1	37	42.0	12	13.6	38	43.3
British Subjects	1	0.1	-	-	-	-	-	-	1	100.0
U.N.O.	3	3.0	-	-	-	-	-	-	3	100.0
TOTALS:	888	100%	171	19.3%	357	40.2%	189	21.2%	171	19.3%

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Authority NND 785077By BT NARA Date 7/11RG 407Entry 368BFile SUMMARY REP. ON CLAIMS RESTITUTIONBox 1422**CONFIDENTIAL**GENERAL

During the last 6 months of 1948 several directives from Washington greatly altered the program of restitution in the U.S. Zone of Austria. The first such directive (WX-89108) was a decision to transfer all Italian restitution claims to the jurisdiction of the Austrian Government. The Austrian and Italian Governments were notified of this change in U.S. policy by letters from this Headquarters dated 7 October 1948. All pending Italian claims numbering 145, were transferred to the Austrian Government with the exception of those properties which had already been restituted to the Italians and were merely awaiting delivery. This left only claims of United Nations for action by the Reparations and Restitutions Branch except for those German fine arts claims which are handled through the U.S. authorities in Germany.

In August 1948, a new restitution directive (WX-88001) was received for action. This directive denoted the first definite restitution policy to be operative in Austria as compared to the interim policy previously in effect. This new directive gives greater latitude in making restitution decisions and will be helpful in the speedy liquidation of existing claims.

A directive (WX-89482) was received concerning the disposition of currencies and securities existent in the U.S. Zone of Austria. A study of this problem was made by the German External Assets Branch of RD&R Division and disposition of these currencies and securities should be completed in early 1949.

In October 1948, a directive (WAFX-90223) was received to announce a termination date for receipt of restitution claims from United Nations. All United Nations Missions were duly notified as of October 19 that the cut-off date for filing restitution claims would be 19 January 1949. To date, there has been little change in the volume of claims filed as the result of this notification. However, it is anticipated that during

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Authority NND 785077By BT NARA Date 7/11RG 407Entry 368BFile SUMMARY REP. of
CLAIMS RESTITUTIONBox 1432**CONFIDENTIAL**

the remainder days of January a sharp increase of restitution claims will result.

PROBLEMS OF RESTITUTION

1. Disposition of Manfred Weiss Property. The disposition of this property has been, and is, a strong topic of discussion. Whereas it is considered desirable to dispose of Manfred Weiss property through the Austrian Government, this Headquarters is reluctant to release this property to the Austrian Government until such time as the Austrian Government gives reasonable assurances that this property will remain in the U.S. Zone of Austria. It is felt that the CAD proposal to secure these assurances from the Austrian Government at governmental level will be sufficient guarantee so that this property can be transferred to the Austrian Government.

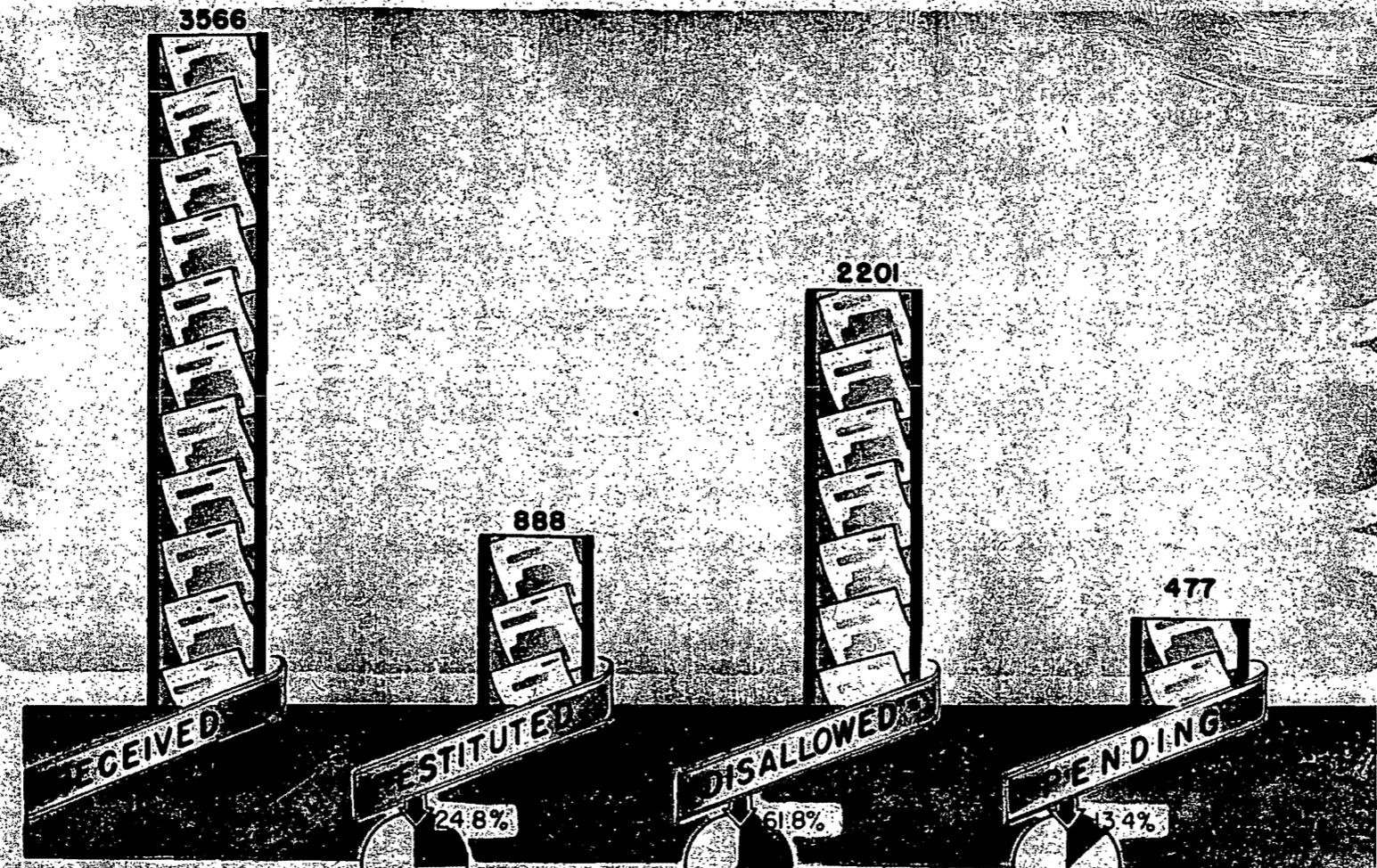
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U.S. ZONE SUMMARY OF RESTITUTION CLAIMS

CUMULATIVE AS OF 31 DECEMBER 1948

INCLUDES U.S. VIENNA AREA



- 1. Claims disallowed because of duplication, location outside US Zone of Austria or failure to substantiate claim.
- 2. Also included in the number of claims disallowed are 710 Hungarian and 145 Italian claims which were released to the Austrian Government for disposition.

SOURCE: RD. & R. DIVISION

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Entry 3688

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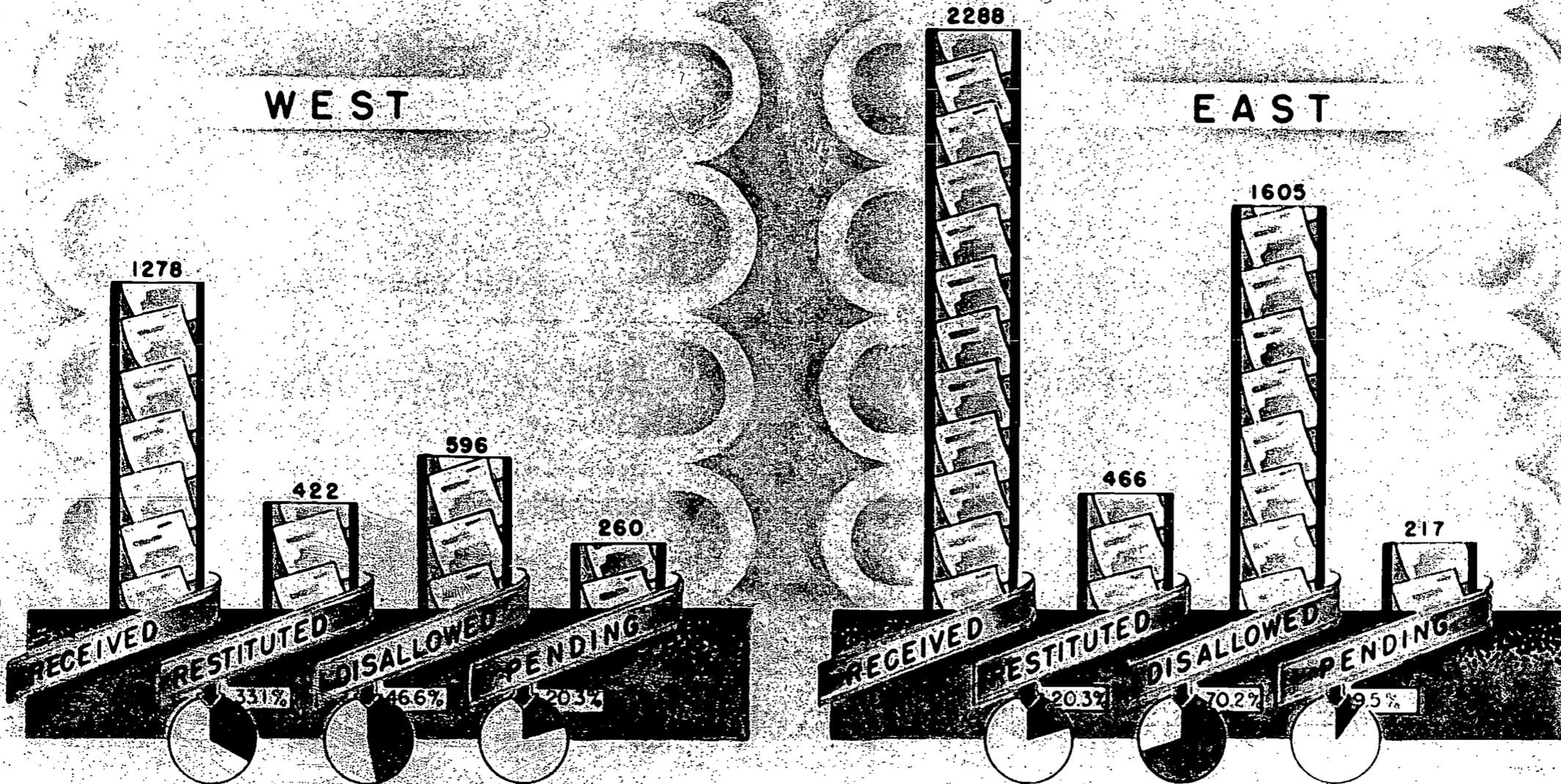
330513

U.S. ZONE
SUMMARY OF RESTITUTION CLAIMS BY AREA
 AS OF 31 DECEMBER 1948
 INCLUDES U.S. VIENNA AREA

REPRODUCED AT THE NATIONAL ARCHIVES

WEST

EAST



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 Authority NND 785077
 By BT NARA Date 7/11

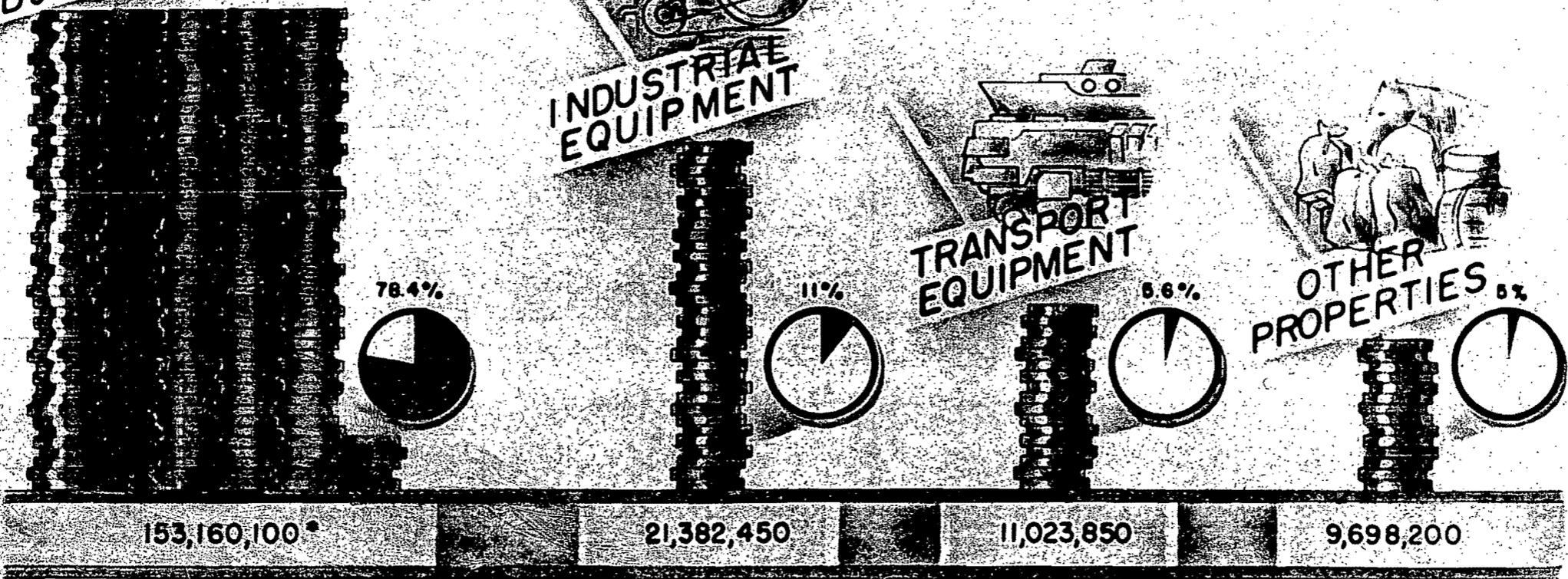
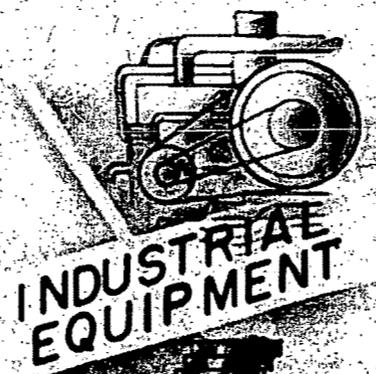
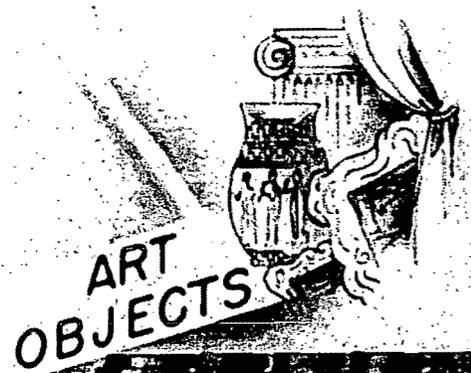
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RG 467
 Entry 3688
 File Summary of Restitution Claims
 Box 1432

339514

U.S. ZONE TOTAL ESTIMATED EVALUATION OF COMPLETED RESTITUTIONS

(CURRENT DOLLAR VALUE)
AS OF 31 DECEMBER 1948
INCLUDES U.S. VIENNA AREA



* Includes \$143,625,800 looted Austrian art found in Austria.

GRAND TOTAL 195,264,600

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Authority AMB 78507
By BT NARA Date 7/11

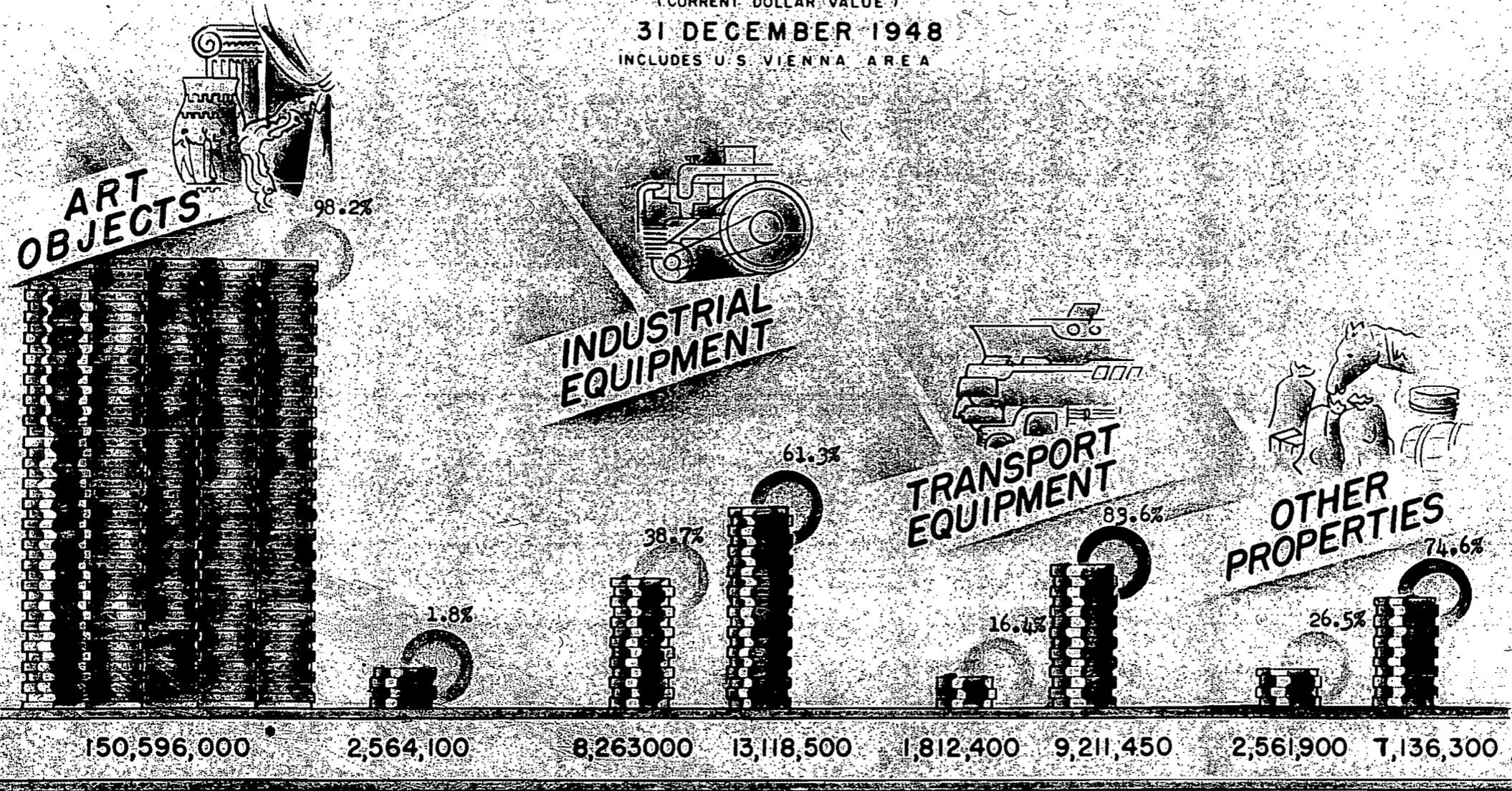
RG 407
Entry 3698
File Summary of...
Box 1432

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339515

U.S. ZONE
**TOTAL ESTIMATED EVALUATION
 OF COMPLETED RESTITUTIONS BY AREA**

(CURRENT DOLLAR VALUE)
 31 DECEMBER 1948
 INCLUDES U.S. VIENNA AREA



* Includes \$143,625,800 looted Austrian art found in Austria.

Grand Total \$195,264,600

WEST EAST



83.6%

16.4%

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 Authority NND 785077
 By BT NARA Date 7/11

JUNE 1950

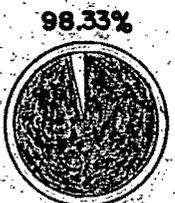
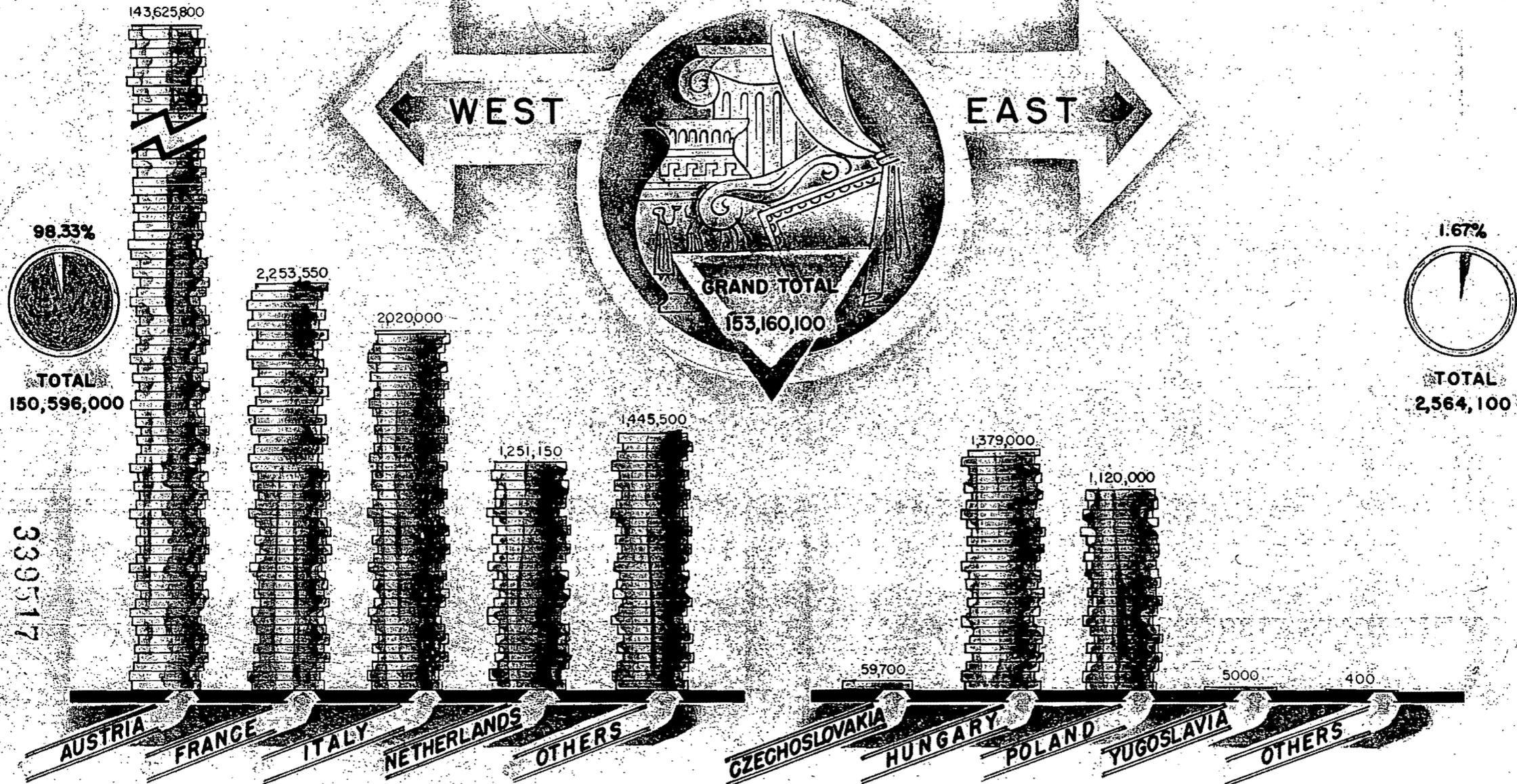
RG 407
 Entry 3688
 File Summary App. on Classifications
 Box 1432

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339516

U.S. ZONE
**ESTIMATED EVALUATION
 OF RESTITUTED ART OBJECTS BY AREA**

(CURRENT DOLLAR VALUE)
 AS OF 31 DECEMBER 1948
 INCLUDES U.S. VIENNA AREA



TOTAL
150,596,000

TOTAL
2,564,100

339517

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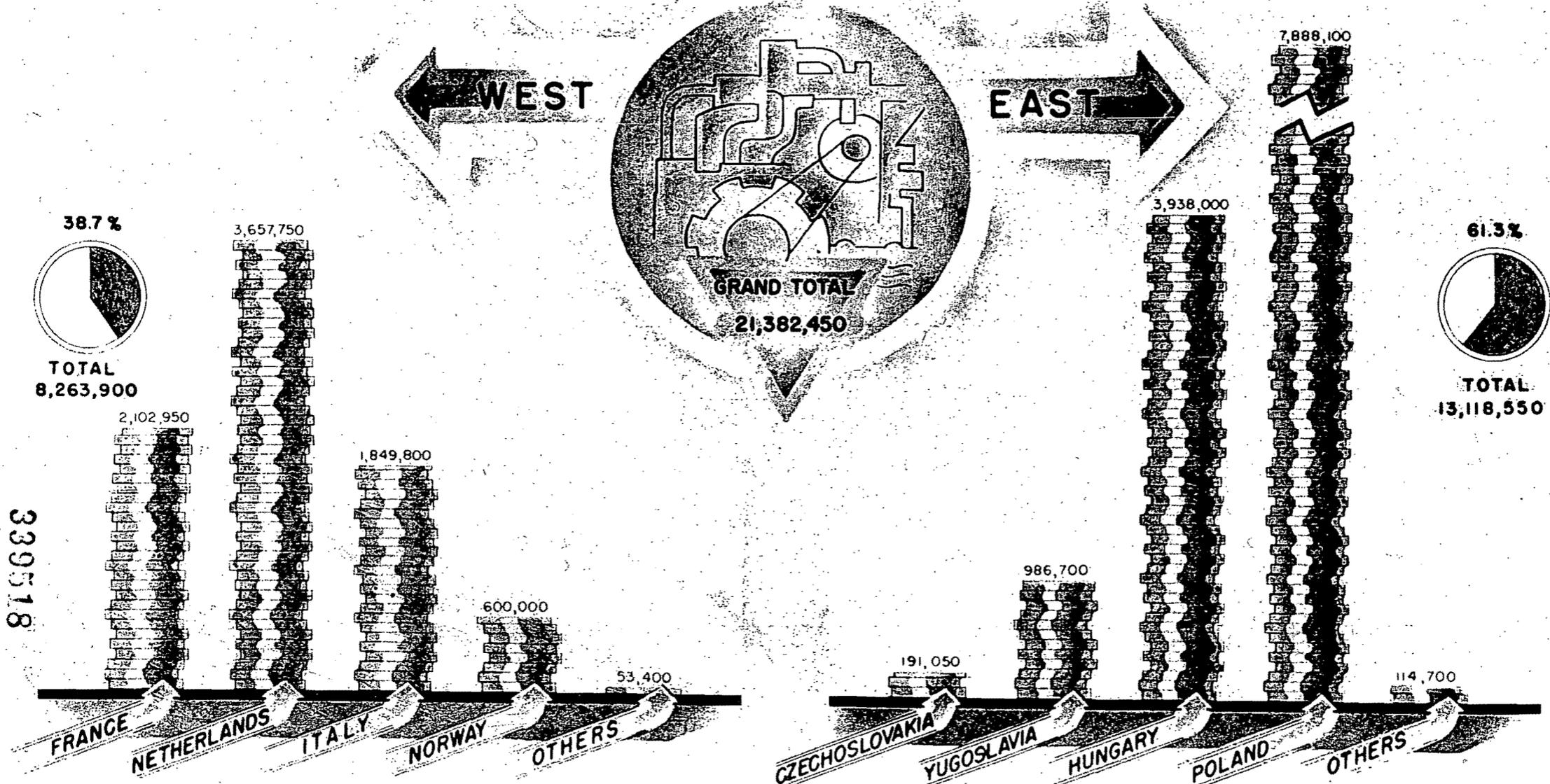
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 Authority MB 785071
 By BT NARA Date 7/11

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RG 407
 Entry 3688
 File Summary M.A. of
Classifications
 Box 1432

U. S. ZONE ESTIMATED EVALUATION OF RESTITUTED INDUSTRIAL EQUIPMENT BY AREA

(CURRENT DOLLAR VALUE)
AS OF 31 DECEMBER 1948
INCLUDES U. S. VIENNA AREA



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339518

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Classifications
Box 1432

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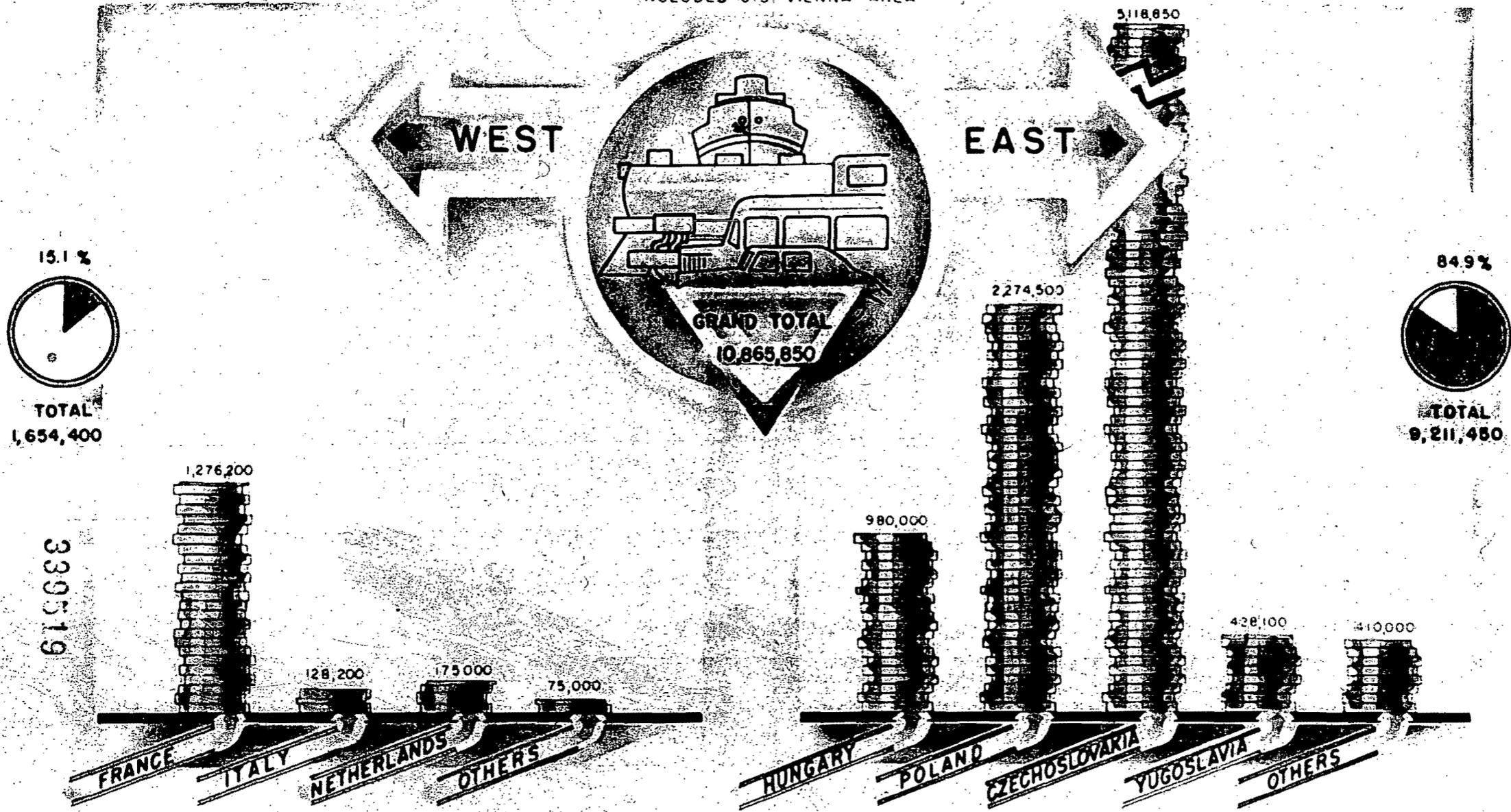
**U.S. ZONE
ESTIMATED EVALUATION
OF RESTITUTED TRANSPORT EQUIPMENT BY AREA**
(CURRENT DOLLAR VALUE)
AS OF 30. NOVEMBER 1948
INCLUDES U.S. VIENNA AREA

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Entry 3698
File Summary 204-c
Box 1432
CLASSIFIED



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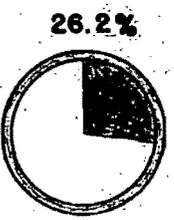
U. S. ZONE *
**ESTIMATED EVALUATION
 OF RESTITUTED OTHER TYPE PROPERTIES BY AREA**
 (CURRENT DOLLAR VALUE)
 AS OF 30. NOVEMBER 1948

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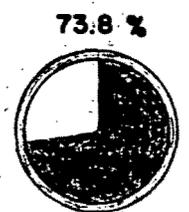
← WEST

EAST →

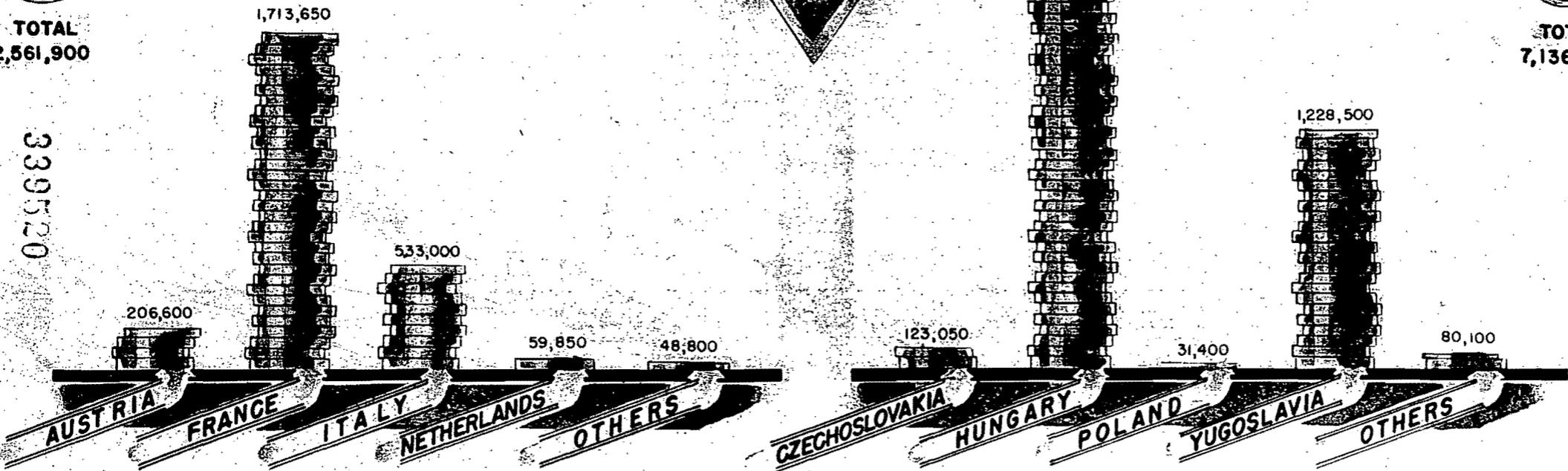


TOTAL
2,561,900

339520



TOTAL
7,136,150



* INCLUDES U.S. VIENNA AREA

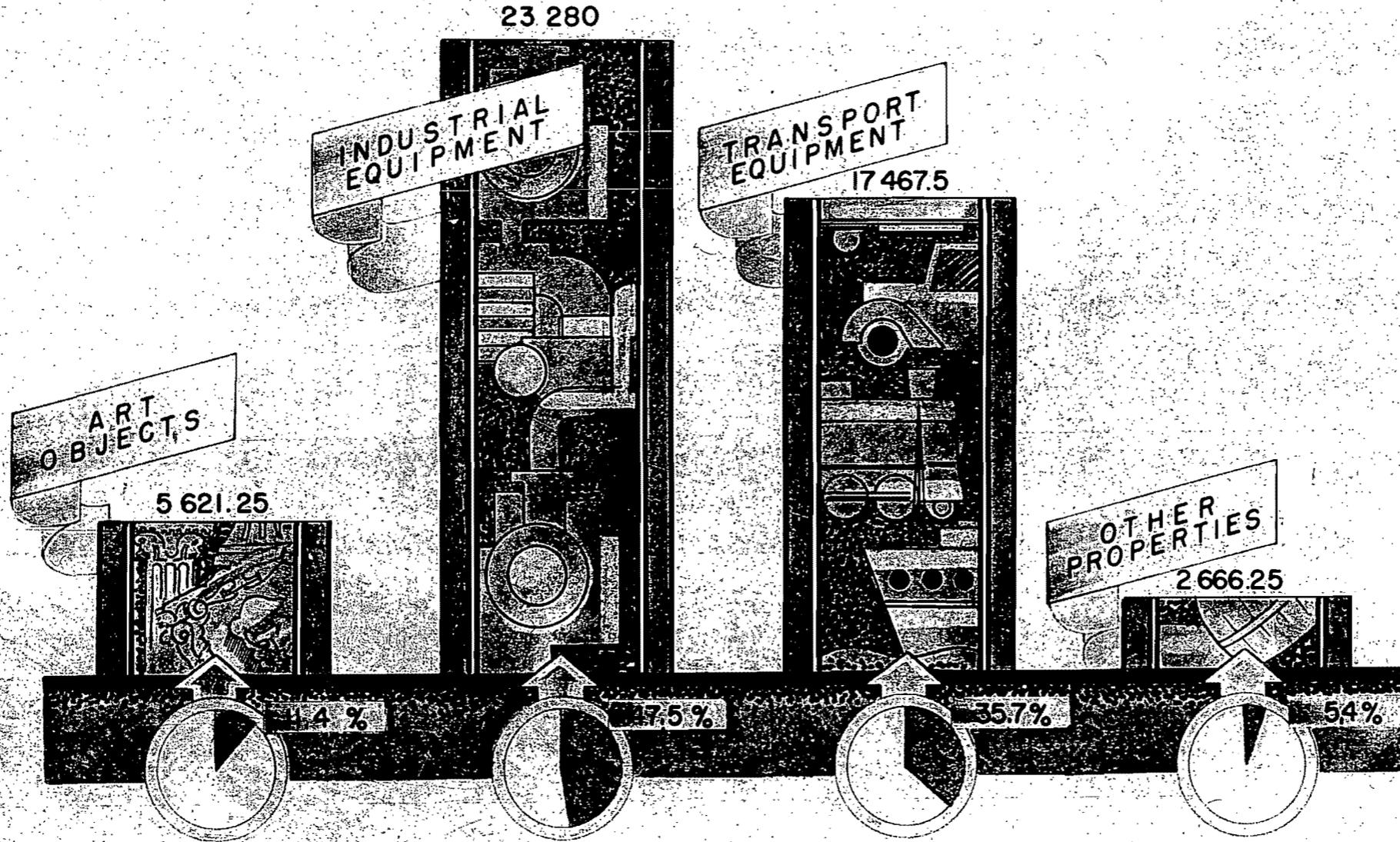
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 Authority NND 785071
 By BT NARA Date 7/11

RG 447
 Entry 3688
 File Summary App. or
 Chassis Restitutions
 Box 1432

U.S. ZONE *
TOTAL ESTIMATED VOLUME OF COMPLETED RESTITUTIONS
 (METRIC TONS)
 31 DECEMBER 1948

Grand Total 49,035 Metric Tons



* INCLUDES U.S. VIENNA AREA

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 Authority NND 785077
 By BT NARA Date 7/11

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RG 407
 Entry 3688
 File Summary App. on Class. Restitutions
 Box 1432

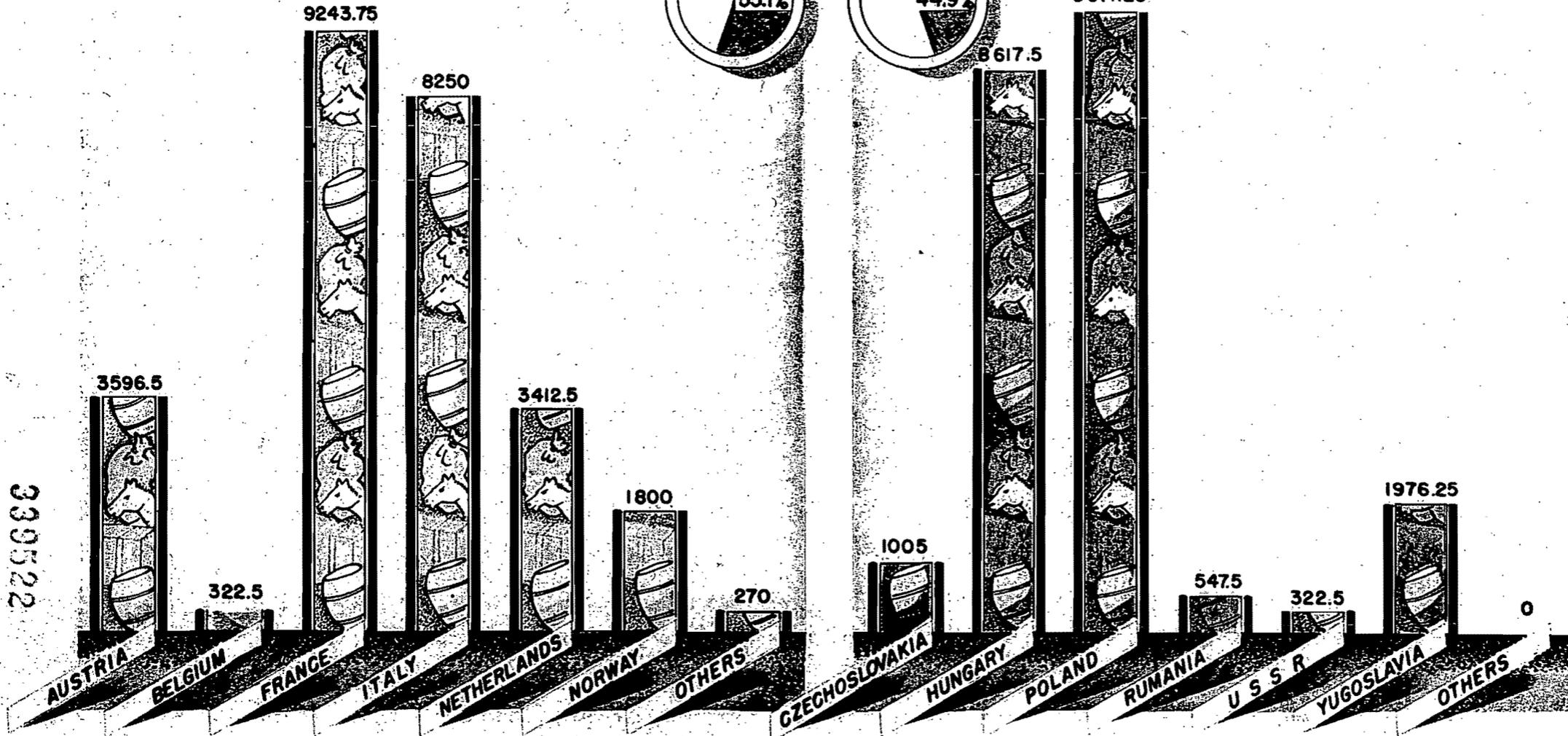
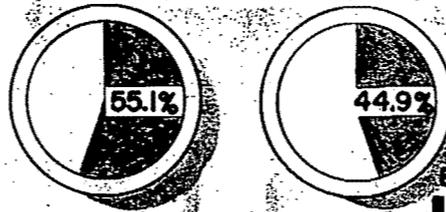
U S ZONE * ESTIMATED RESTITUTION OF PROPERTIES **

(METRIC TONS)
31. DECEMBER 1948

GRAND TOTAL 49035

W E S T

E A S T



** Estimated Volume of Completed Restitutions by Area

* INCLUDES U.S. VIENNA AREA

SOURCE: RD. AND R. DIVISION

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Authority NMB 785077
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RG 407
Entry 3698
File Summary 200-cc
Class + Assumed
Box 1432

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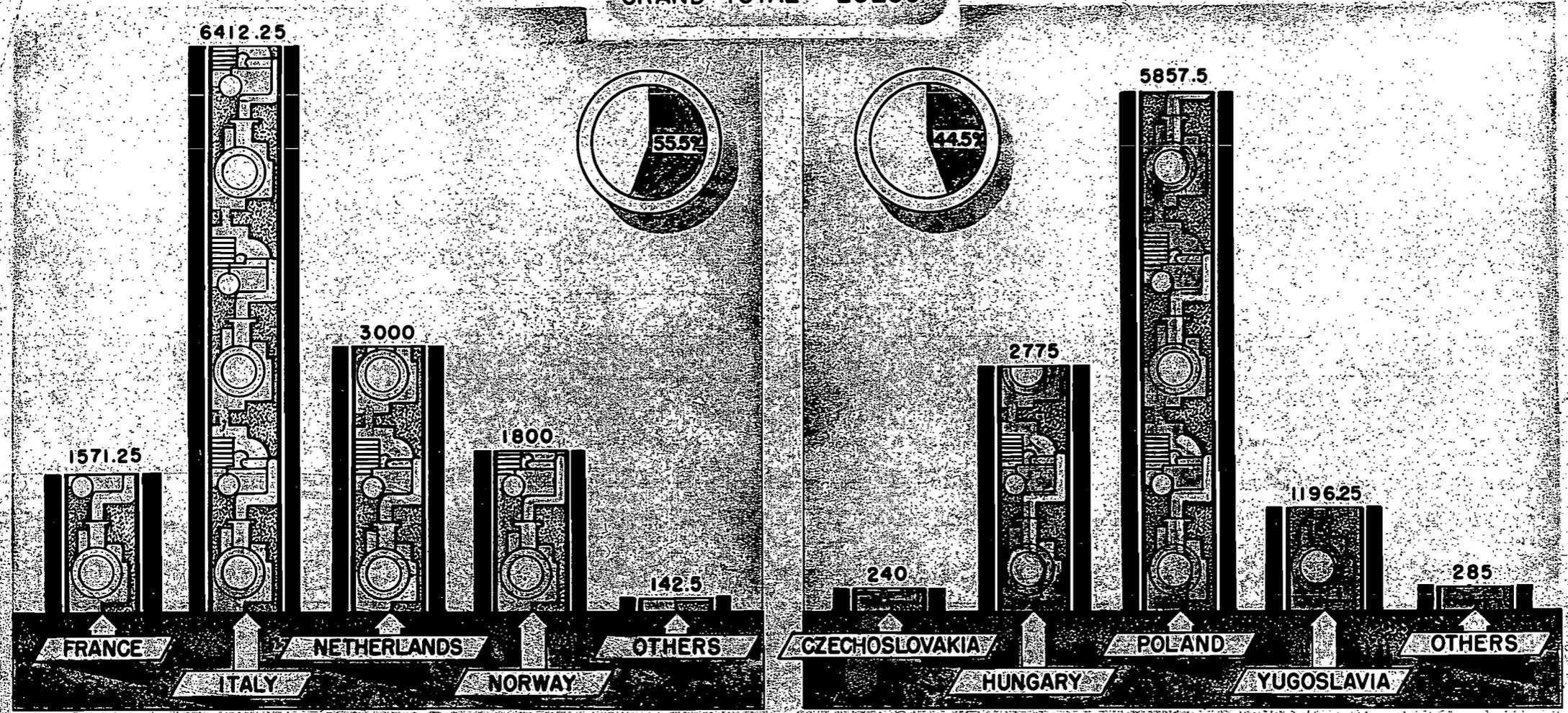
339522

U S ZONE * ESTIMATED RESTITUTION OF INDUSTRIAL EQUIPMENT BY (METRIC TONS) AREA 31 DECEMBER 1948

WEST

GRAND TOTAL 23280

EAST



* INCLUDES U.S. VIENNA AREA

CONFIDENTIAL

330703

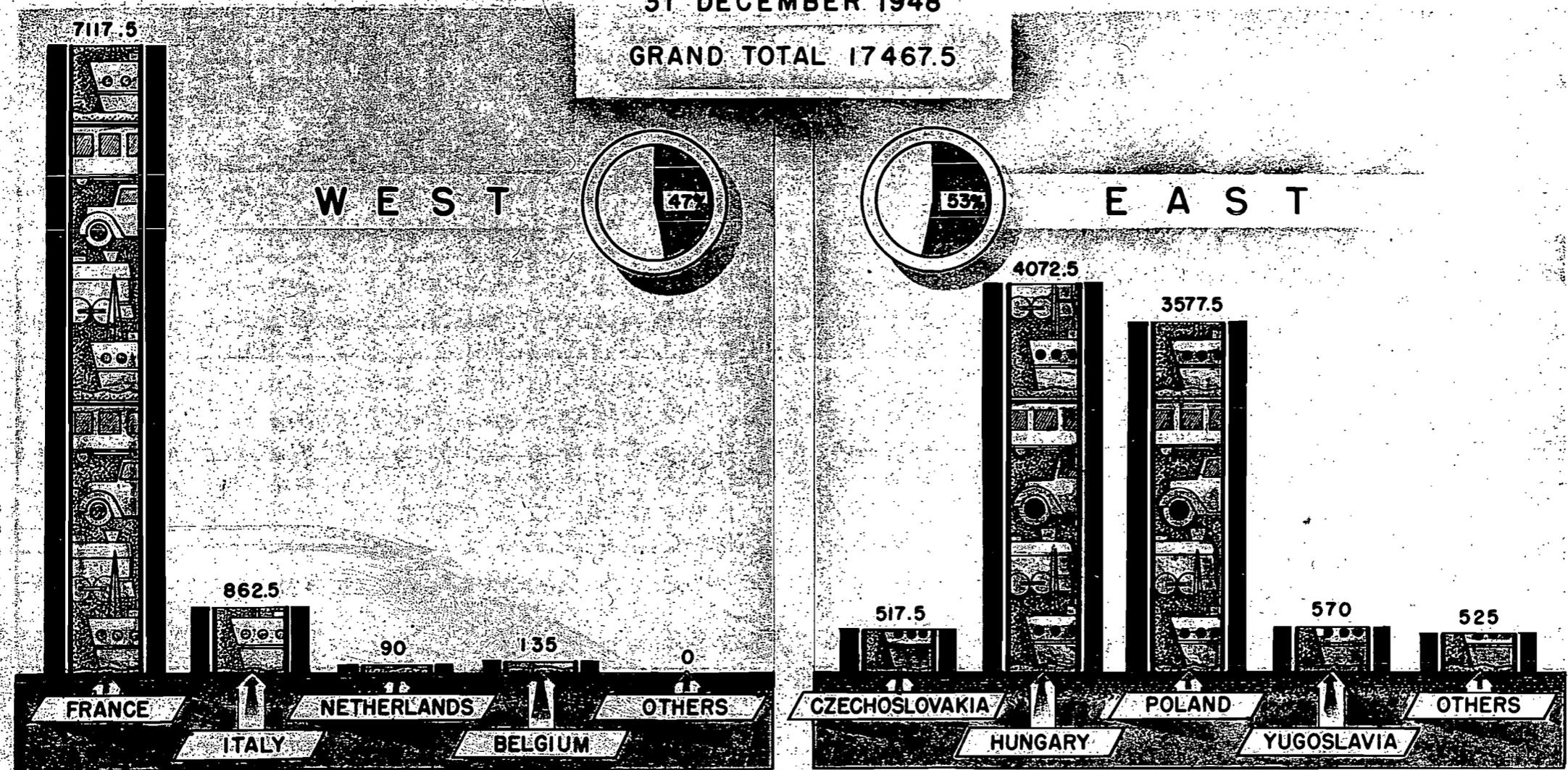
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 Authority NND 785077
 By BT NARA Date 7/11

RG 407
 Entry 3688
 File Summary Rep. on
 Claims Restitutions
 Box 1432

U S ZONE * ESTIMATED RESTITUTION OF TRANSPORT EQUIPMENT BY (METRIC TONS) AREA 31 DECEMBER 1948

GRAND TOTAL 17467.5



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330524

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Authority MLB 785077
By BT NARA Date 7/11

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RG 407
Entry 3688
File Summary App. on
Box Class. Restitutions
1432

* INCLUDES U.S. VIENNA AREA

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Authority NND 785009
By JB NARA Date 7-12

RG 260
Entry 116
File P-916
Box 12

For Greg
Finished

P-916

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Authority NND 785009
By JB NARA Date 7-12RG 260
Entry 116
File P-916
Box 12HEADQUARTERS
UNITED STATES FORCES IN AUSTRIA
APO 777, U.S. ARMY**SUBJECT: Board of Officers to Validate Foreign Currency
Records.****Minutes of the First Meeting of the Board**

1. The Board has been called to order by the President at 1400 hours, 12 October 1948 in Room 18, National Bank Building. All members were present.

The President explained the purpose of the appointment of the Board and immediately took up the first point of the proceedings of the Board which, according to AF Ltr 150/F of 7 October 1948, is the fiscal inventory of all assets of the U.S.-Austrian Currency Section now deposited in the Salzburg and Vienna Branches of the Austrian National Bank.

2. The President informed the members regarding the preliminary negotiations of the inventory which were made between Mr. Schneider, representing USACA and Mr. Herbert Prask, Director of the Foreign Currency Section of the Austrian National Bank.

The Austrian National Bank is ready on a reasonably short notice to supply expert personnel and room for the inventory of the so-called valid items in Salzburg, and for the inventory of the so-called valueless items in Vienna. The Salzburg inventory was estimated to require some 6 to 8 days, while the Vienna inventory would take at least 6 weeks.

3. Major Maher presented then a summary of the history of the foreign currency holdings and records made thereof with particular reference to the final inventory which is to be made under the supervision of the Board.

4. The results of a discussion which followed and in which all present participated were as follows:

a. Mr. Schneider will be keeper of documents which pertain to the case and will make them accessible to the members of the Board.

b. Major Jobe and Mr. Murphy of the Budget and Fiscal Office will present their drafts of forms to be printed and used in the inventory to Mr. Schneider not later than 19 October. Mr. Schneider on behalf of the Board will make such changes or additions to the forms which are deemed necessary for the purpose of the inventory.

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Authority NND 785009
By JB NARA Date 7-12RG 260
Entry 116
File P-916
Box 12

c. Col. Gunn will inspect the vault in which the Austrian National Bank, Salzburg Branch, keeps the holdings in order that he may help in the proper estimation of the amount of work and time involved in the inventory of valid assets at Salzburg, and the sorting out of the valueless items to be shipped for exact inventory to Vienna. In his investigation, Col. Gunn may call upon Major Cornett who was the president of the first Board of Officers.

d. Mr. Schneider will call on Director Fraack and inform him that USFA agrees to his suggestion regarding the inventory of valid items in Salzburg and of the valueless in Vienna, that the forms developed for the inventory and the U.S. personnel to participate in the inventory will be in Salzburg on or about 26 October, that the valid items will be turned over for deposit "without recourse" to the Austrian National Bank as soon as inventoried, and that the decision regarding the transportation of the valueless items to Vienna under dual supervision of USFA and of the Austrian National Bank will be made on the basis of the experience made during the inventory at Salzburg.

e. Notice was taken of the fact that the Fiscal Director, USFA who is charged with the technical supervision of the physical inventory will be responsible for the qualification of the Austrian experts engaged in the inventory.

f. Finally, it was agreed that the President and/or some members of the Board should go to Salzburg for a short inspection of the inventory down there and in order to get acquainted with the physical aspects of the holdings. Col. Gunn will assist in checking the inventory in Salzburg.

5. All decisions were made unanimously. The Board adjourned at 1515 hours without deciding on the date of the second meeting.

14 October 1948

RECEIVED BY:

APPROVED BY:
/s/ John M. Jenkins, Jr.
JOHN M. JENKINS, JR., COL.
HQ, USFA

JOSEPH Z. SCHNEIDER
Office of the Director
USACA, HQ USFA

Copies to all members of the Board
CC: Dir, USACA

DECLASSIFIED
 Authority NND 785009
 By JB NARA Date 7-12

RG 260
 Entry 116
 File P-916
 Box 12

HEADQUARTERS U. S. FORCES IN AUSTRIA
 REPARATION, DELIVERIES AND RESTITUTION DIVISION
 Property Control Branch
 APO 777, U. S. Army

23 January 1946

SUBJECT: Foreign Currency, Coins and Valuables.

TO : Commanding Officer
 Military Government Detachment E1B
 Salzburg
 Att: Property Control Officer

1. The Vienna Headquarters of the SSU has contacted this office concerning a hoard of money and jewelry that was discovered by agents of the SSU and is now here in Vienna. It consists of a large amount of Austrian schillings, German Reichmarks, currency of several other European nations, coins of all kinds, tokens, gold and silver and a relatively small amount of jewelry. It has been determined that this is property of the German Government or Nazi Party, and is thus subject to our control.

2. This office consulted with Major Hecker, the accountant for the Finance Division and the following procedure for the handling of this property has been decided upon:

- (a) SSU will properly sort, package and mark all the currency and coins and will transport it all to Salzburg.
- (b) All the currency and coins will be turned in to Lt. Fatouche, who will give you a receipt for it, and you, in turn, will give the SSU representative your receipt. Actually, the SSU representative should turn it over to you and you should turn it in to Lt. Fatouche, but there seems to be no necessity for this round about plan.
- (c) The jewelry will be turned over to you and you will issue the normal receipt to the SSU representative.
- (d) On the basis of information furnished by the SSU, your office will submit the necessary property control form to this headquarters.

3. Your office will be notified by telephone prior to the departure from Vienna of the SSU representative. Major Hecker's office will contact Lt. Fatouche and give him substantially the same information as contained in this letter.

FOR THE DIVISION CHIEF:

Tel:
 Vienna, A-17580
 Ext - 143

EDWIN O. MERWIN
 Captain, Inf.
 Property Control Br.

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Authority NND 785009

By JB NARA Date 7-12

RG 260

Entry 116

File P-1400

Box 21

P-1400

DECLASSIFIED

Authority NND 785009By JB NARA Date 7-12

RG	<u>260</u>
Entry	<u>116</u>
File	<u>P-1400</u>
Box	<u>21</u>

PREPARATORY COMMISSION FOR THE
INTERNATIONAL REFUGEE
ORGANIZATION

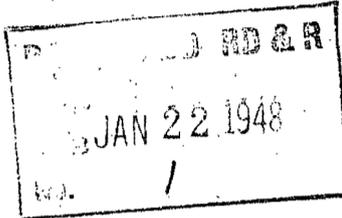
COMMISSION PREPARATOIRE DE
L'ORGANISATION INTERNATIONALE
POUR LES RÉFUGIÉS

Telephone : 2 80 00

Telegraphic address : PCIRO GENEVE

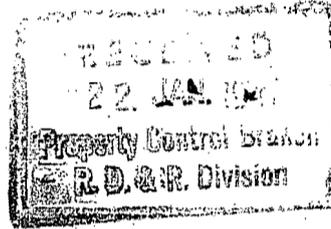
Palais des Nations
GENEVE

REF. No.:



13 January 1948

Mr. James Garrison,
Chief, RD&R Division,
USACA Section,
USFA Vienna



Dear Mr. Garrison,

I regret very much not to have returned at an earlier date the enclosed set of English translations of the General Information Bulletins which your Division made available to me some time ago.

Unfortunately the enclosed was misaddressed to the Property Control Section, Germany. Your letter of 6 November arrived when I was in the States, and the enclosed have just been returned by the Property Control Division of OMGUS. I hope that no inconvenience was occasioned.

I am pleased to learn that all the packing and crating has been completed at the Salzburg warehouse. As I have cabled you, we are seeking to obtain the earliest possible transport so that we may remove the property from the warehouse as soon as possible.

My present plans call for a trip to Vienna early in February, and I look forward to seeing you at that time.

With kindest regards,

Yours sincerely,

Abba P. Schwartz
Reparations Director

aps:mbs

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Statistical Rep. No. 49

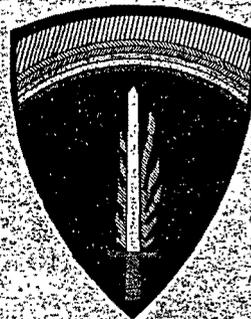
OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)

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Property of
Office of the Chief
Military History
General Reference Branch

REPORT OF THE MILITARY GOVERNOR

JULY 1949

No. 49

FINAL ISSUE — SEE NOTICE INSIDE COVER

339531

MISCELLANEOUS

Reparation shipments from the U.S. Zone, by recipient nation, tonnage and value

U.S. ZONE

TABLE 907

Recipient Nation	Shipped in July 1949		Shipped 30 March 46—31 July 49	
	Tonnage	Value (Thousands of 1938 RM)	Tonnage	Value (Thousands of 1938 RM)
Grand Total	651	1,065	218,165	196,931
U.S.S.R. and Poland				
Total	—	—	67,176	45,424
U.S.S.R.	—	—	62,785	36,578
Poland	—	—	4,391	8,846
Other Nations				
Total	651	1,065	150,989	151,507
Albania	5	10	901	1,065
Australia	—	—	2,097	3,282
Belgium	—	—	12,614	9,932
Czechoslovakia	—	—	15,505	15,838
Denmark	—	—	482	732
France	57	19	32,427	36,763
Greece	111	234	9,124	6,472
India	8	17	3,249	5,035
Luxembourg	—	—	563	701
Netherlands	77	275	7,718	8,536
New Zealand	—	—	558	1,180
Norway	4	5	2,467	2,972
Pakistan	—	—	179	224
United Kingdom	287	493	12,577	10,011
United States	—	—	2,723	2,687
Yugoslavia	102	12	47,803	46,077



339532

on for control

Value in Millions of RM/DM⁽¹⁾

Urban	German state	
	Estimated value	No. of units
168	2,925	4,334
169	3,039	4,308
128	3,119	4,119
118	3,048	4,050
66	3,122	3,897
23	3,323	3,930
3	3,652	4,767
2	3,296	4,799
2	3,266	4,695
2	3,247	4,591
—	2,937	4,275
—	288	123
—	290	137
—	310	119

Residing in	Miscellaneous	
	Estimated value	No. of units
2,847	776	1,435
3,439	1,049	3,646
3,842	1,044	4,076
4,394	1,060	4,856
4,463	993	5,171
3,879	778	5,496
10,735	778	7,227
10,010	759	6,716
9,379	673	5,443
8,815	589	2,795
7,306	527	1,431
5,263	541	1,279
3,048	282	1,003
2,824	207	1,170

three Western Zones. Prior to German custodians at the time the taken under control was expressed in Reichsmark value can be replaced by the Deutsche Mark value can be replaced by the

Properties released from control, by reason for release

TABLE 906

Cumulative by Quarters
U.S. OCCUPIED AREA

Values in Million RM/DM⁽¹⁾

End of	Total		CC Directive 50 ⁽²⁾		Decontrol ⁽³⁾		External restitutions ⁽⁴⁾		Former I.G. Farben																																																																																																																	
	Estimat. value	No. of units	Estimat. value	No. of units	Estimat. value	No. of units	Estimat. value	No. of units	Estimat. value	No. of units																																																																																																																
	1 Jul— 30 Sep 1947	281.4	3,438	—	—	—	—	0.5	40	0.2	1																																																																																																															
1947 Dec	1,081.8	8,987	1.3	28	85.0	17	5.0	205	407.7	43																																																																																																																
1948 Mar	1,872.6	21,510	1.7	225	315.7	137	10.1	302	523.4	54																																																																																																																
Jun	2,978.9	40,166	5.2	407	510.5	509	12.2	508	731.4	108																																																																																																																
Sep	4,233.3	62,062	70.0	929	779.8	1,063	21.6	810	777.7	152																																																																																																																
Dec	5,687.1	85,173	252.3	3,418	1,036.2	3,515	33.1	1,598	783.2	163																																																																																																																
1949 Mar	7,631.4	98,956	733.3	5,524	1,443.7	4,965	62.1	5,233	803.2	165																																																																																																																
Jun	11,304.4	115,501	859.4	5,884	1,875.7	8,262	78.5	6,778	805.6	169																																																																																																																
<table border="1"> <thead> <tr> <th colspan="4">Law for liberation from National Socialism⁽⁵⁾</th> <th colspan="2">Land reform law</th> <th colspan="2">M.G. Law 59⁽⁶⁾</th> <th colspan="2">Other releases</th> </tr> <tr> <th colspan="2">Released to owners</th> <th colspan="2">Confiscated property</th> <th rowspan="2">Estimat. value</th> <th rowspan="2">No. of units</th> <th rowspan="2">Estimat. value</th> <th rowspan="2">No. of units</th> <th rowspan="2">Estimat. value</th> <th rowspan="2">No. of units</th> </tr> <tr> <th>Estimat. value</th> <th>No. of units</th> <th>Estimat. value</th> <th>No. of units</th> </tr> </thead> <tbody> <tr> <td>1 Jul— 30 Sep 1947</td> <td>208.0</td> <td>2,103</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>72.8</td> <td>1,294</td> </tr> <tr> <td>1947 Dec</td> <td>385.3</td> <td>5,532</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>197.6</td> <td>3,162</td> </tr> <tr> <td>1948 Mar</td> <td>658.7</td> <td>15,118</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>8.1</td> <td>2</td> <td>355.0</td> <td>5,672</td> </tr> <tr> <td>Jun</td> <td>1,127.0</td> <td>26,535</td> <td>3.2</td> <td>66</td> <td>—</td> <td>—</td> <td>8.4</td> <td>3</td> <td>580.9</td> <td>12,030</td> </tr> <tr> <td>Sep</td> <td>1,823.2</td> <td>41,862</td> <td>17.4</td> <td>365</td> <td>0.6</td> <td>2</td> <td>8.5</td> <td>4</td> <td>734.5</td> <td>16,875</td> </tr> <tr> <td>Dec</td> <td>2,385.9</td> <td>51,724</td> <td>31.9</td> <td>1,172</td> <td>0.6</td> <td>2</td> <td>20.5</td> <td>88</td> <td>1,143.4</td> <td>23,493</td> </tr> <tr> <td>1949 Mar</td> <td>2,717.5</td> <td>57,530</td> <td>49.3</td> <td>2,466</td> <td>1.2</td> <td>7</td> <td>75.7</td> <td>439</td> <td>1,745.5</td> <td>22,627(a)</td> </tr> <tr> <td>Jun</td> <td>3,019.9</td> <td>60,835</td> <td>56.0</td> <td>2,619</td> <td>1.6</td> <td>10</td> <td>208.6</td> <td>1,351</td> <td>4,399.1</td> <td>29,593</td> </tr> </tbody> </table>											Law for liberation from National Socialism ⁽⁵⁾				Land reform law		M.G. Law 59 ⁽⁶⁾		Other releases		Released to owners		Confiscated property		Estimat. value	No. of units	1 Jul— 30 Sep 1947	208.0	2,103	—	—	—	—	—	—	72.8	1,294	1947 Dec	385.3	5,532	—	—	—	—	—	—	197.6	3,162	1948 Mar	658.7	15,118	—	—	—	—	8.1	2	355.0	5,672	Jun	1,127.0	26,535	3.2	66	—	—	8.4	3	580.9	12,030	Sep	1,823.2	41,862	17.4	365	0.6	2	8.5	4	734.5	16,875	Dec	2,385.9	51,724	31.9	1,172	0.6	2	20.5	88	1,143.4	23,493	1949 Mar	2,717.5	57,530	49.3	2,466	1.2	7	75.7	439	1,745.5	22,627(a)	Jun	3,019.9	60,835	56.0	2,619	1.6	10	208.6	1,351	4,399.1	29,593								
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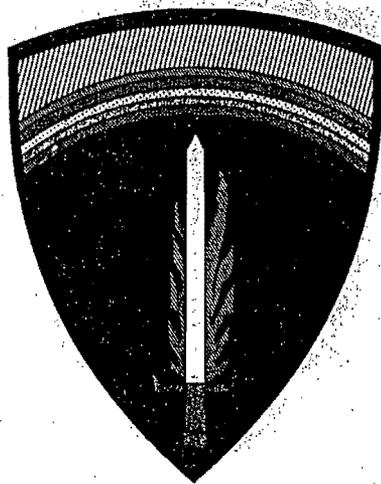
- (1) On 20 June 1948 the Reichsmark was invalidated and the Deutsche Mark introduced as the legal currency in the three Western Zones. Prior to 20 June 1948, the value of each property was established in Reichsmarks by German custodians at the time the property was placed under control; after 19 June 1948, the value of each property taken under control was expressed in Deutsche Marks by the German custodian. In the majority of cases the Reichsmark value can be replaced by the Deutsche Mark value on one to one basis.
- (2) Control Council Directive No. 50, disposition of property having belonged to organizations listed in Control Council Proclamation No. 2 and Control Council Law No. 2, covers disposition of
 - (1) all property in Germany of whatever nature having belonged to the Nazi organizations and to the military and para-military organizations;
 - (2) property having belonged to trade union, cooperative, political party or any other democratic organization before it became the property of any organization referred to in (1), above;
 - (3) property formerly devoted to relief, charitable, religious or humanitarian purposes.
- (3) Release of properties from Military Government custody in which residents and citizens of United Nations and neutral countries (except Portugal) have an interest.
- (4) Property subject to restitution under Allied Control Authority.
- (5) Property released in accordance with court decisions in denazification cases.
- (6) Disposition of identifiable property having been subjected to discriminatory confiscation between 30 January 1933 and 8 May 1945.
- (a) Due to changes in classification, some of the properties previously included in other releases are now included in confiscated property.

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MONTHLY REPORT OF THE MILITARY GOVERNOR



Property of
Office of the Chief
Military History
General Reference Branch

OFFICE OF MILITARY GOVERNMENT
FOR GERMANY (U.S.)

NOVEMBER 1948

NO. 41

339534

REPORT OF THE MILITARY GOVERNOR

RESTITUTION

Non-Cultural Restitution

As is indicated in the following table, the processing of claims for the restitution of non-cultural property had, by the end of November 1948, been substantially completed.

The total value ^{1/} of non-cultural property, exclusive of securities, restituted to date amounted to RM 296,568,000 which included the 244 claims, evaluated at RM 2,894,261, satisfied during November.

STATUS OF CLAIMS FOR RESTITUTION OF NON-CULTURAL PROPERTY Cumulative to 30 November 1948

Country	Received	Rejected	Satisfied	Net Active	Value of Claims Restituted (Thousand RM)
Total	20,598	11,738	8,465	395	296,568
Austria	963	594	369	0	3,601
Belgium	1,671	1,036	635	0	10,974
Czechoslovakia	3,140	1,479	1,660	1	21,881
Denmark	380	308	72	0	479
France	8,016	4,894	2,812	310	54,406
Greece	36	23	13	0	43
Hungary	1,065	579	403	83	125,788
Italy	890	400	490	0	7,546
Luxembourg	68	39	29	0	373
Netherlands	1,211	588	623	0	42,441
Norway	345	150	195	0	1,580
Poland	1,694	883	811	0	10,678
Roumania	86	56	30	0	1,055
U.S.S.R.	451	328	122	1	281
Yugoslavia	582	381	201	0	15,442

Cultural Restitution

Processing of 26 claims during November reduced to 6 the number of active claims for the restitution of cultural property remaining in the U. S. Zone.

PROPERTY CONTROL AND EXTERNAL ASSETS

General

Continued progress has been made in the release of properties from property control custody. Although the release, during November, of 6,241 units of property was partially offset by late reporting, during the same month, of 1,358 units which had been taken into control as early as June, a net decrease of 4,883 units of property under control was, nevertheless, effected.

Of the total of 152,435 units of property taken under control since 1 July 1945, 73,110 units, evaluated at approximately RM 9,080,517,657, remained under control as of 30 November. A detailed analysis of all these properties, classified according to the reason for their control, is given in the table below.

^{1/} At 1938 replacement costs.

NOVEMBER 1948

REPORT OF THE MILITARY GOVERNOR

PROPERTIES UNDER CONTROL as of 30 November 1948

	Units of Property	Estimated Value in Million Reichsmarks ^{1/}
Total	<u>73,110</u>	<u>9,080</u>
Duress Properties	31,426	1,297
NSDAP Members and Blacklisted Persons	14,379	1,215
United Nations and Other Absentee Owners	10,988	1,298
German State	4,818	3,617
External Loot	4,771	53
NSDAP Organizations	3,428	823
NSDAP Members-Confiscated Property	564	11
Former I. G. Farben	3	2
Miscellaneous	1,173	304
Unclassified in Law 52	1,560	460

Duress Properties

Properties which were confiscated or taken under duress on grounds of race, religion, nationality, or political opposition to national socialism represent approximately 43 percent of those under property control. Those properties not claimed will be released from control and turned back to the owners of record shortly after the end of this year, while the others will be released as fast as the claims are settled under the provisions of Military Government Law No. 59 (Restitution of Identifiable Property). It is expected that the number under control will continue to increase since the deadline which was established for the filing of claims under the above-mentioned law is not until 31 December.

A progressive increase in the number of petitions ^{2/} filed was evident during November, the total filed as of 30 November being 14,892. It is conservatively estimated that the total claims will exceed 70,000 by the deadline date.

On 6 November, appointments were made to the Board of Review ^{3/}, which was established, in accordance with Regulation 4 of Military Government Law No. 59, to review the decisions of the German courts in cases brought before it under that law. The four members are: Judge Johnson T. Crawford of Oklahoma, President; Frederick G. Hulse of Monroe, New York; Judge Meyer L. Casman of Philadelphia, Pennsylvania; and Captain Peter J. Flanagan of New York City. It is expected that the Board will be ready to function shortly after the first of the year.

Properties of NSDAP Members and Blacklisted Persons

On 31 July 1947 about 56,000 units of property of NSDAP members and blacklistees were held by Property Control; subsequent to that date an estimated 8,500 additional units in this category were taken under Property Control. Of this estimated total of 64,500 units of property of NSDAP members and blacklistees, 50,101 units had been turned back to such owners as had been denazified by final decisions under the Law for Liberation from National Socialism and Militarism (Denazification Law). The disposition of the approximately 14,500 units still remaining under control will depend on the speed with which remaining denazification trials are completed. Properties confiscated by the denazification tribunals are included in the latter figure and will be disposed of as soon as German governmental agencies are established to receive them.

- 1/ These values are only estimates taken from balance sheets, tax assessments, etc. Since the exact value is not a necessary factor for property control purposes, no attempt has been or will be made to convert these figures to Deutsche Mark values.
- 2/ A petition may comprise one or more claims.
- 3/ For details regarding the composition, jurisdiction and procedure of the Board of Review, see Report of the Military Governor, No. 38, p. 13.

NOVEMBER 1948

REPORT OF THE MILITARY GOVERNOR

Properties of United Nations and Other Absentee-Owners

As of 30 November 1948, 10,988 units of United Nations and neutral properties with an estimated value of nearly RM 1,300 million, remained under property control custody, 3,414 units having been decontrolled to date. Although only 24 percent of the number of units had been decontrolled by 30 November, those same units represent approximately 43 percent of the value of all properties subject to the decontrol program, thus indicating that the larger and more valuable properties are already back under direct control of their owners.

It is anticipated that these properties will be decontrolled at an increasing rate as all possible steps are being taken to speed up the decontrol program.

German State Properties

The ultimate disposition of title to properties of the German State located in the Western Zones is being discussed by the three western occupational governments, but as of 30 November no agreement had been reached.

External Assets Investigations

During November, 18 investigations involving allegedly German-owned foreign (external) assets were completed. Eight of these investigations uncovered evidence which tended to prove the German ownership of assets having a total estimated value of \$385,000. Requests for investigation from IARA and the U. S. Embassies will be accepted only until the end of December. It is expected that the External Assets Program will be substantially completed by that time.

FINANCE

Taxation

Economic Council Ordinance No. 66, levying certain special taxes for the Berlin emergency aid program was approved by the Military Governors on 8 November. The ordinance provides for a special wage tax of DM 0.60 on each DM 100 of monthly wages not exceeding DM 500 and a tax of DM 1.00 on each DM 100 or part thereof exceeding DM 500; a similar tax is levied on assessed income. Corporations are taxed at the rate of DM 1.20 on every DM 100 of monthly income. In addition a DM 0.02 tax is placed on all postal matter except postal payments, checks and savings. Revenue of these taxes is estimated to be DM 25,000,000 monthly.

Economic Council Ordinance No. 67, appropriating the proceeds of the coffee tax to the Bizonal Economic Administration, was passed over Laenderrat veto on 19 November and was approved by Military Government on 30 November. The proceeds of this tax will be used for the support of the Berlin emergency aid program with revenue estimated at DM 20,000,000 monthly.

Laender Budgets

U.S. Laender finances in October showed for the first time since currency reform, an over-all surplus of receipts, with Hesse the only exception. Current collections falling in October accounted for this showing. However, the outlook is very favorable for a continued monthly budgetary balance in the U.S. Zone.

The Laender have thus far failed to submit revised 1948/49 budgets in view of uncertainties regarding revenues and the continuing efforts to reduce expenditures. Emphasis is now being placed on preparation of a 1949/50 budget which should be submitted prior to 1 February 1949.

NOVEMBER 1948

REPORT OF THE MILITARY GOVERNOR

Licensing

During November Military Government issued licenses under Law No. 53 to two non-German organizations permitting the import and sale of publications for Deutsche Marks. The recipients of these licenses are the First Church of Christ Scientist, Boston, Massachusetts, and Popular Publications, Inc., New York City.

In addition, a license was issued to Mr. C. Y. Ting, correspondent in Germany for "Religious News Service," permitting the sale of original written material and consultive services for Deutsche Marks. "Weekend Magazine," formerly published in Germany and now located in Paris, was also licensed by Military Government to import its magazine into the U.S. Area of Control to be sold for Deutsche Marks.

The Allied Bank Commission was authorized by the Finance Adviser to issue a directive to the Bank Deutscher Laender to process all applications for licenses under Military Government Laws No. 52 and 53 to engage in informational activities within the U.S. Zone of Germany.

A procedure has been established by which persons in Germany going on authorized travel for or on behalf of JEIA may use their privately owned automobiles, subject to certain safeguards such as posting of customs bond.

Foreign Exchange Control

Instructions for the procedure of settling postal and telecommunication accounts between foreign administrations and the Allied Working Party for International Accounting were dispatched by Military Government to the Bizonal Department for Posts and Telecommunications (through the Bipartite Control Office), and to the Bank Deutscher Laender through the Allied Bank Commission. The instructions provide for financial settlements to be effected through the appropriate foreign currency accounts of the Bank Deutscher Laender. Foreign Administrations will make payments due the Bizonal Area through the Bank Deutscher Laender which upon receipt of the credit to their foreign currency account, will make the appropriate Deutsche Mark outpayment to the Department for Posts and Telecommunications. Amounts due to Foreign Administrations by the Bizonal Area will be paid by the Bank Deutscher Laender, through the appropriate account, upon receipt of the Deutsche Mark equivalent and instructions from the Department for Posts and Telecommunications.

Military Government authorized a procedure which will permit the EUCOM Exchange System (EES) to procure barley within the Bizonal Area for use in its beer production. The EES is then to pay the U.S. dollar equivalent of the amount of barley so procured, at the current world price, to the credit of JEIA. Dollars accruing from this operation will be earmarked for the purchase of grain to replace that withdrawn from the German economy by EES.

Foreign Exchange Depository

The Foreign Exchange Depository ^{1/} was instructed to release to the Bank Deutscher Laender approximately 18,000 ounces of silver, which had been found in various Reichsbanks and hiding places and taken into custody by U.S. Forces at the time of the capitulation. This silver is to be sold to the Bank Deutscher Laender for eventual use within the German economy, with the Deutsche Mark proceeds going to the Reichsbank trustee fund and to the German State Corporation for Public Property (Staatliche Erfassungs-Gesellschaft fuer oeffentliches Gut, or STEG).

Approximately 29,000 ounces of platinum, iridium, rhodium, and palladium were released to the Bank Deutscher Laender for safekeeping pending receipt of further data requested from I.G. Farben as to their origin.

^{1/} A safe depository in Frankfurt holding the assets held in trust for Military Government.

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NOVEMBER 1948

REPORT OF THE MILITARY GOVERNOR

Customs

The Office of Military Government for Hesse was authorized to instruct the customs authorities of that Land to seize all merchandise imported under JEIA Instruction No. 9 (involving Germans entering into commercial transactions for foreign business concerns), and JEIA Instruction No. 15 (involving duty-free gift imports) where the Office of Military Government for Hesse has knowledge that similarly imported merchandise has been sold.

The activities of a foreign trading company located in Frankfurt were investigated with the assistance of German officials. Report of the investigation disclosed that the firm in question was importing coffee, cocoa, and fats under JEIA Instruction No. 15 to sell to American personnel for dollars. The proceeds of such sales were accruing to the firm and not to JEIA. The firm was ordered closed and its stocks were impounded pending legal proceedings.

Pursuant to Allied Control Authority Law No. 43 the entry of all war materials into Germany for any purposes, including transit to another country, is prohibited except as licensed by any of the Military Governors. Accordingly, German customs authorities were instructed to prevent all shipments of goods coming under this law, not properly licensed, from entering the U.S. Zone of Germany across its international frontiers. Such shipments as are properly declared and in order, except for a license under Allied Control Authority Law No. 43, are to be returned to the country of origin. Such shipments that are brought into Germany in such a manner as to evade the prohibitions of Allied Control Authority Law No. 43 are to be impounded and the responsible parties made subject to charges filed in a Military Government court. If investigation reveals that a shipment entered through error of customs personnel and that the owners and shippers acted in good faith, the shipment may be released for return to the country of origin.

Whenever a shipment of this nature is impounded by German authorities a full report is to be made through Land Military Government to OMGUS. The shipper or owner must arrange with Armed Forces Division, OMGUS, for the release of this shipment.

Prisoner of War Payments

Payments in Berlin to former prisoners of war for labor performed during captivity were resumed on 30 October after having been suspended due to currency reform.

After four days, the head office of the Berliner Stadtkontor, using new funds furnished by OMGUS for this purpose, was ordered by the Soviet Military Administration to suspend payments. A payment office was thereupon established in the U.S. Sector of Berlin for the purpose of making payments to entitled German prisoners of war formerly held by the United States and now residing in Berlin and the Soviet Zone who apply for payment either in person or by mail. Payments to residents of the Western Sectors of Berlin are made in accordance with the Second Ordinance for Monetary Reform in Berlin. Payments to residents of the Eastern Sector of Berlin and of the Soviet Zone are made in East Marks.

MANPOWER

Industrial Relations

During November, no major strikes occurred in the U.S. Zone. However, among the working population, rising dissatisfaction with high prices resulted in a 24-hour work stoppage on 12 November which had been called throughout the Bizonal Area by the Bizonal Trade Union Council to protest the economic policy of the Bizonal Economic Council. ^{1/} With this large-scale demonstration, at least a

^{1/} See also Manpower, p. 80.

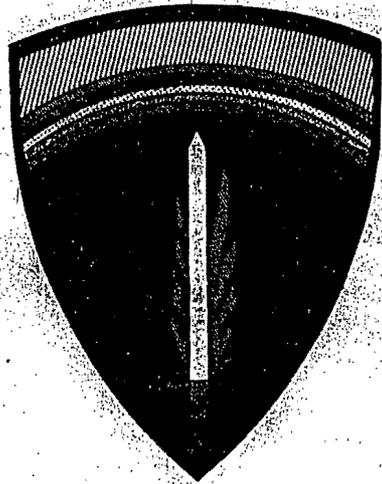
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MONTHLY REPORT OF THE MILITARY GOVERNOR



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General Reference Branch

OFFICE OF MILITARY GOVERNMENT
FOR GERMANY (U.S.)
SEPTEMBER 1948

NO. 39

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REPORT OF THE MILITARY GOVERNOR

German-American Parole Conference

The first German-American Parole Conference was held in Nuremberg on 10 and 11 August, in an effort to reach a common understanding of the principles, objectives, and mechanics of parole as it will function under the new clemency system. 1/ The representatives of the German Ministries of Justice and Military Government legal authorities worked out the regulations jointly. As there is very little literature available in Germany on parole as it is conceived today, a wide distribution of the German version of the minutes will be made.

Military Government Courts

The Military Government Court of Appeals, the highest judicial authority in the U. S.-occupied Area, convened on 10 September in Nuremberg. British, French and German legal officials were present as the Chief Judge administered the oath of office to three Associate judges of the Court of Appeals. The court is to receive appeals from the 11 judicial districts established under Military Government Ordinance No. 31. 2/ The first Judicial District Court opened in Land Bremen on 28 September, with the swearing in of court officials.

REPARATIONS

There were no changes during September in the total of 767 plants and part plants listed for reparations in the three Western Zones of Germany, 187 of which are located in the U. S. Zone. 3/

The Inter-Allied Reparation Agency (IARA) has announced the sub-allocation of three additional plants located in the U. S. Zone. Ortlieb & Company and Stiefelmeyer, both of Esslingen, (Wuerttemberg-Baden) have been sub-allocated to India and Stoehr, Offenbach (Hesse) has been sub-allocated to Norway. Of the 136 plants in the U. S. Zone which have been allocated to IARA, 119 have now been sub-allocated to specific recipient nations.

A total of 12,734 tons of reparations equipment valued at RM 10,605,136 was shipped to 16 recipient nations during September from 43 plants in the U. S. Zone. This makes a total of 174,945 tons shipped with a total value of RM 163,984,988 as of 30 September. Included in these tonnage figures for September are final shipments from 18 additional plants, making a total of 107 plants in the U. S. Zone, shipments from which had been completed by 30 September 1948.

RESTITUTION

Claims received during September for non-cultural property totaled 173. The total number of claims released during the month were 557 and the number rejected was 1,476, resulting in a net decrease of 1,860 active claims.

The total value of property, exclusive of securities, restituted as of 30 September 1948, is RM 287,073,915 (in terms of 1938 Reichsmark).

The restitution deliveries completed during September included 1,402 items of industrial machinery and machinery parts and tools, as well as raw and refined materials, building materials, various types of vehicles, electrical equipment, wine, and jewelry.

1/ See the Monthly Report of the Military Governor, No. 37, p. 12.

2/ See the Monthly Report of the Military Governor, No. 38, p. 11.

3/ For a detailed analysis of plants available see Report of the Military Governor, No. 37, p. 13.

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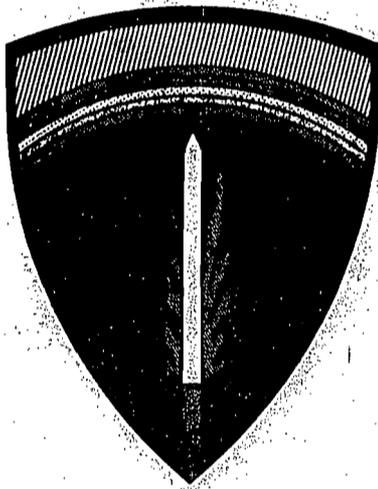
SEPTEMBER 1948

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MONTHLY REPORT
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OFFICE OF MILITARY GOVERNMENT
FOR GERMANY (U.S.)
1 AUGUST - 20 SEPTEMBER 1949
NO. 50

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REPORT OF THE MILITARY GOVERNOR

Reciprocal Deliveries

As of 15 September 1949, no further effort had been made by the Soviet Military Administration to complete arrangements with the Western Zone Commanders for the second consignment of reciprocal deliveries, nor had the verbal Soviet offer to resume deliveries ever been confirmed in writing. 1/

INTERNAL RESTITUTION

General

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

Status of Restitution Cases
U.S. Zone
As of 31 August 1949

Restitution Agencies and Courts	Number of Cases		
	Sub- Total	Sub- Total	Total
A. Operation of Restitution Agencies			
Cases available for processing <u>h/</u>			40,212
Cases partially processed			39,634
Cases available for disposition			10,662
Balance of cases available for disposition		3,421	
Cases disposed of prior to 1 September 1949		2,244	
Final disposition made	3,417		
Amicable settlement	1,637		
Granted and not appealed	188		
Dismissed and not appealed	580		
Withdrawn	1,012		
Referred to Restitution Chambers	1,827		
Under article 63 <u>h/</u>	1,422		
Because of appeal pursuant to art 64 <u>g/</u>	398		
B. Operation of Restitution Courts			
Restitution Chambers			
Cases available for adjudication <u>h/</u>			1,840
Pending			1,434
Adjudicated - total			406
Final disposition made		273	
Decisions not appealed	186		
Dismissed and not appealed	4		
Withdrawn	80		
Forwarded to Oberlandesgerichte <u>g/</u> on appeal		121	
Decisions appealed	115		
Dismissed and appealed	10		
Forwarded to Board of Review		2	
Decisions appealed	9		
Oberlandesgerichte <u>g/</u>			
Cases available for adjudication <u>g/</u>			121
Pending			76
Adjudicated - total			45
Final disposition made		11	
Decisions not appealed	5		
Dismissed and not appealed	1		
Withdrawn	4		
Remanded to Chambers		21	
Forwarded to Board of Review on appeal		11	
Decision appealed	15		
Board of Review			
Cases available for review <u>h/</u>			24
Pending			17
Disposed of - total			7
Final disposition made		7	
Appeals rejected	6		
Withdrawn	1		

h/ Total number of cases received minus those transferred because of venue.
g/ Partial amicable settlements effected and those entire cases which could not be settled amicably.
g/ Cases granted or dismissed and appealed.
g/ (German)-Civil Division of the Court of Appeals.
g/ Total number of cases received from Chambers and on remand from Board of Review.
h/ Total number of cases received from Oberlandesgerichte and Restitution Chambers.

1/ On 12 May 1949 the Soviet Military Administration had verbally informed the U.S. reciprocal deliveries representative that the USSR proposed to commence deliveries of the second consignment. See the Monthly Report of the Military Governor, No. 44, p. 22; No. 46, p. 28; No. 47, p. 24; and No. 49, p. 24.

1 AUGUST - 20 SEPTEMBER 1949

REPORT OF THE MILITARY GOVERNOR

As of 31 August approximately 7 percent of all petitions which have reached the restitution authorities had been finally disposed of.

Miscellaneous

Military Government recently informed German authorities that it approved of their proposal to enact a General Claims Law ^{1/} which has now been promulgated by the various Laender on the following dates: Bavaria, 12 August 1949; Hesse, 10 August 1949; Wuerttemberg-Baden, 16 August 1949; and Bremen, 16 August 1949. In each Land the effective date of this law is 1 April 1949.

The German legislation provides that persons who, during the period from 30 January 1933 and 8 May 1945, were persecuted because of political conviction or for racial, religious, or ideological grounds and thereby suffered damage to life and limb, health, possessions, property, or economic advancement shall be entitled to restitution according to the provisions thereof. This legislation provides for the indemnification for losses falling outside the scope of legislation effective in the U.S. Zone ^{2/} previously enacted by Military Government, i.e. Military Government Law No. 59 (Restitution of Identifiable Property).

PROPERTY CONTROL

General

From 1 August to 15 September 1949, 3,239 units of property with an estimated value of RM 177,113,983 were released. Duress properties and a small residue of properties in other categories constitute the balance under control on 15 September 1949. The composition of this balance is shown in the following table:

Property Under Control
In U.S.-Occupied Area of Germany
As of 15 September 1949

Class of Property	Number of Units under Control	% of Program Completed as to Number	Value of Properties under Control in Million Reichsmarks ^{a/}	% of Program Completed as to Value
TOTAL	34,827	77	2,317	83
TOTAL OTHER THAN DURESS	4,968	96	1,318	89
Duress Property	29,859	19	999	33
Property of NSDAP ^{b/} Members	1,998	97	189	94
Absentee-Owned Property	1,740	90	162	93
External Loot	387	95	4	95
Property of NSDAP ^{b/} Organizations	361	95	272	78
German State Property	83	98	36	99
I.G. Farben Property	0	100	0	100
Miscellaneous Property	399	68	655	27

^{a/} These values are only estimates taken from balance sheets and tax assessments. Since the exact value is not a necessary factor for property control purposes, no attempt has been or will be made to convert these figures to Deutsche mark values.

^{b/} Nationalsozialistische Deutsche Arbeiter Partei (National Socialist German Workers' Party).

^{1/} See the Monthly Report of the Military Governor, No. 49, p. 16.

^{2/} Similar legislation for Berlin is not now in effect.

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1 AUGUST - 20 SEPTEMBER 1949

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Authority NND 785010

By JAC NARA Date 7/12/00

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Entry 117

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DECLASSIFIED

Authority NND 785010By JAC NARA Date 7/12/00RG 260Entry 117File A-154Box 1Translation ex German

Exempt from duty according to
§ 6 of the 1st Rest. Law.

No. 33/33 II VR 1948
=====

To the
Finanzlandesdirektion

Linz a.d. Donau
=====

Applicants: 1) Hans P a s c h ,
2) Adele P a s c h ,
3) Grete P a s c h ,
all of them at present in New York, 71 5th Ave-
nue, represented by:

Dr. Renée Kiwe

Lawyer

Vienna IV., Brucknerstr. 4

Tel. U 47-5-80 and U 47-5-81

Appeal against the order of the Finanzlandesdirektion of
14 June 1948

Duplicate

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DECLASSIFIED

Authority NND 785010

By JAC NARA Date 7/12/00

RG 260

Entry 117

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1.) Against the decision of the Finanzlandesdirektion Linz No. 33/33 II VR 1948, dtd. Linz, 14 June 1948, received on 19 June 1948, I file an appeal within the fixed term with the Federal Ministry for Property Control and Economic Planning; however, I appeal the decision only insofar as it rules that after the effective date of the decision the right to possession of the real estate EZ. 1286, KG Linz can be entered only with simultaneous recording of the security mortgage of S 117,930.- in favor of the Republic of Austria, moreover, insofar as the contested decision states that the Oberfinanzpräsident Innsbruck paid RM 100,000.- and the Oberfinanzpräsident Oberdonau RM 5,000.- out of the means of the German Reich to the firm Aeterna resulting in expenditures amounting to a total of RM 99,665.- paid out of the means of the German Reich, furthermore, insofar as the administrative proceeds having accrued until the day of restitution are being withheld as security for this alleged indemnification claim and for these expenditures, and insofar as the lien for a maximum amount of S 117,930.- is to be recorded on the restituted real estate in favor of the Republic of Austria as guarantee for the uncovered balance simultaneously with the recording of the ownership right.

The appeal is based on the following grounds:

1.) The restitution in question is subject to the provisions of the 1st Restitution Law. The §§ 2(1) and 3 (1) of the 1st Restitution Law, also referred to in the contested decision, merely stipulate that the Finanz-

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landesdirektion is entitled to take decisions concerning the submitted claims. § 3 (4), also cited in the decision, stipulates that the general provisions of the civil law regarding Geschäftsführung ohne Auftrag (unauthorized management) are applicable to claims for reimbursement of expenditures. In case such claims are asserted, returns of the property not exceeding the amount of such claims can be withheld. Moreover, the lien can be recorded in favor of the Republic of Austria for a certain maximum amount serving as security for the claims resulting from the balancing of accounts.

In stipulating, that the lien can be recorded in favor of the Republic of Austria if claims for reimbursement of expenditures are asserted, the § 3 (4) obviously implies that this involves expenditures by the Republic of Austria itself. It is quite plain that the Republic of Austria cannot demand reimbursement of expenditures by third parties.

Two facts must be pointed out in advance:

- a) provisions of § 3 (4) are applicable only to claims for reimbursement of expenditures
 - b) according to the clear wording of § 3 (4) such claims can only be asserted if they are asserted. ("in case such claims are asserted").
- ad a) If mention is made of expenditures, this can refer only to expenditures which were made on behalf of

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the object itself in such a manner that an increase of the value of the object resulted therefrom (compare commentary of Heller-Rauscher-Baumann on the 1st Restitution Law, page 53. bottom); this does by no means hold true in the subject case.

The argumentation of the restitution decision asserts that " on 22 July 1944 the Oberfinanzpräsident Innsbruck as liquidator of the forfeited property of the firm Friedrich Pasch made a part payment of RM 100,000.- on the claim of the "Aeterna" A.G. and repaid court expenditures connected therewith amounting to RM 3,149.50", and that "the Oberfinanzpräsident Oberdonau as office administering the restituted real estate also made a part payment amounting to RM 5,000.- on the claim of the "Aeterna" A.G. on 16 February 1945."

The contested decision, however, states that the lien recorded under G-PZ 69 as security for the enforceable claim of the Aeterna Schuhfabrikges. in Vienna, amounting to RM 155,650.26 in Vienna, including annex is ineffective and is to be released off record as real right of third parties not recognized by the restitutees.

The point in question in the subject case is the fact that according to the contested decision part payments on this claim were made by the Oberfinanzpräsident Innsbruck and the Oberfinanzpräsident Oberdonau. Thus, the contested decision itself seems to

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contain a circumstance which obviously tells against the justness of the contested decision. If the lien of the Aeterna A.G. is to be considered ineffective and to be released off record on account of having been recorded after the expropriation, then this lien would have to have been released off record even if the Oberfinanzpräsident would not have made any payments. Hence, if these payments had not been made the real estate would have to have been transferred free of incumbrances, according to the Finanzlandesdirektion. As, according to § 3 (4), the general provisions of the civil law regarding Geschäftsführung ohne Auftrag (unauthorized management) are applicable to claims for reimbursement of expenditures, the provision of § 1040 abGB is to be applied to the subject case. It is quite plain that in the subject case the Oberfinanzpräsident appointed himself manager of an enterprise not belonging to him against the declared will of the owner. In such a case, however, the negotiorum gestor loses the amounts expended.

However, even if the provisions of § 1037 abGB are resorted to, the Oberfinanzpräsident would have to prove in asserting the claims that the payment was made to the undisputable advantage of the applicants. This is undoubtedly not the case in the subject matter since the lien - as mentioned above - would have been released off record even if the Oberfinanzpräsident would have made no payments at all.

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It must be added that it is not as if an execution had been averted by the payment, if at all such an execution was the reason underlying the payment, as the Oberfinanzpräsident is known to have always had the possibility to stop - in accordance with § 39 RO-auctions which affected property forfeited on the strength of the Eleventh Decree. This corresponds to the customary manner of dealing with such cases.

ad b) In connection herewith it must be emphasized that § 3 (4) expressly stipulates that proceeds can be withheld or a lien recorded as a guarantee for claims resulting from the balancing of accounts only in case such claims are asserted. For the reasons stated further below, however, the Finanzlandesdirektion is not entitled to assert such claims in the name of the Oberfinanzpräsident or the German Reich. If at any time the German Reich or the Oberfinanzpräsident should assert claims in open court, those objections would be raised against such claims to which the applicants are entitled.

However, the contested decision itself shows, that the payment of the amount of RM 100,000.- and of RM 5,000.- was not at all made out of the means of the German Reich, but was made - as is stated verbatim in the decision - by the Oberfinanzpräsident Innsbruck as liquidator of the forfeited property of the firm Friedrich Pasch and by the Oberfinanzpräsident Oberdonau as office administering the restituted real estate.

Now the applicants are in a position to

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prove that for inst. the amount of RM 5,000.- originated from returns of the real estate itself which the Oberfinanzpräsident had received. It cannot be that that which is true in one case is not true in the other case. For the reasons set forth below the Finanzlandesdirektionen refuse to be considered legal successors of the German Reich and decline to disburse the proceeds for the period from 1938 to 1945 insofar as they are not within the country any more. The Finanzlandesdirektion is not entitled to shift its stand when it considers this to be of advantage to it; so little as the Finanzlandesdirektion is obligated to hand over the proceeds so little is it entitled to charge an amount, which it paid out of the proceeds, against the applicants.

The following must be added: the contested decision makes mention only of amounts which were collected by the Oberfinanzpräsident. The contested decision fails to mention any additional amounts which may have been received by the Oberfinanzpräsident. If the principle, which this appeal upholds, is correct, then, of course, a right of compensation must exist for all proceeds for the whole period of administration of the real estate by the Oberfinanzpräsident, and for the alleged claims of the latter. At any rate, however, the contested decision furnishes no proof whatsoever, that the amount of RM 100,000.- was paid out of the means of the German Reich. On the contrary: it is expressly stated that the Oberfinanzpräsident Innsbruck made the payment in his capacity as liquidator of the forfeited property of the firm Friedrich Pasch, in other words, evidently out of the means of the firm Friedrich Pasch. One cannot refer to these means as means of the German Reich unless one regards the rest of the forfeited

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property of the restitutes, as for instance their confiscated securities etc., as means of the German Reich.

Moreover, attention is called to the fact that the contested decision, by making the statements referred to, is not grounded at all.

There is no legal remedy whatsoever with which to make the ^{APPLICANTS} pay interest or a security. The ruling regarding interest and security for annex is in no wise grounded in the decision and cannot be grounded for want of a legal basis.

2.) As mentioned above, the Finanzlandesdirektion refuses to disburse the proceeds for the period from 1938 to 1945 received by the Oberfinanzpräsident, insofar as they are not within the country any more. The provisions of the law relative hereto are based on the following reasoning:

The Austrian Government holds that it is by no means the legal successor of the German Reich. This stand is responsible for the refusal of the Austrian Government to indemnify Jews for Reichsfluchtsteuer (Emigration tax) and Judenvermögensabgabe (Jew property tax) paid to the Oberfinanzpräsident, or to meet such liabilities as date back to the nazi aera. The comment Heller-Rauscher-Baumann says the following in connection herewith (page 165):

" Austrian statesmen repeatedly declared that the Austrian State, having had no part

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in the expropriations and losses inflicted, cannot be required to make amends for this grave injustice, and that the aid extended by the Government had to be limited to furnishing legislative means and to implementing restitution of property still existing to the actually entitled persons and to having the guilty persons pay indemnifications, in adapting the Austrian civil law to the principles of the London Declaration (pamphlet 1, page 40).

It is true that the Austrian State declines every responsibility but on the other hand it does not want to derive any profits from the legal actions leading to restitution."

This reasoning stretches throughout the legislation like a red thread. State officials restored to their former positions are not paid their salaries for the period until 1945, pensioners receive their pensions only for the time from May 1945, but not for the period from 1938 to 1945 insofar as these pensions were not actually paid out etc. etc.

Thus, it can be considered an established rule that the position taken invariably by the Austrian State is the following: the Austrian State most peremptorily refuses to be termed or considered the legal successor of the German Reich and it takes all consequences resulting from this standpoint, especially the consequence that no payments whatsoever are made for the period from 1938 to 1945.

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3.) If this standpoint is justified then the Austrian State and its organs are not entitled to raise any claims which are due the German Reich exclusively.

It would be a dangerous precedent if the Austrian State would deviate from the adopted policy. If the Austrian State takes possession of claims due the German Reich then there can be no doubt that it is also responsible for the liabilities of the German State. If this is true, not only the Austrian courts would decide but in cases in which foreigners, particularly Allied persons raise claims, the international court at Hague as well. I emphasize that my clients are American citizens and that they cannot be expected to accept a standpoint which could be interpreted in such a manner that on one hand assets of the German State are claimed by the Austrian State, liabilities of the German State, however, are not met on the other hand.

My clients are entitled to raise claims against the German State which by far exceed the amount previously alluded to. Their enterprises were sold under compulsion by a trustee appointed by organs of the German State and that at a price which was far below the actual value; following the usual pattern the Vermögensverkehrsstelle did not at all take into consideration the goodwill. Mr. Hans Pasch

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Box 1

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has a claim against the German State on account of unwarrantable arrest. All of my clients are entitled to raise a claim on account of having been exiled and deprived of their existence. Hence, even if the claim of the Oberfinanzpräsident should be justified, it is by far exceeded by counter-claims which would set off this claim possibly raised.

4.) In this connection the decision is also contested because the principle of giving the parties an opportunity of being heard was violated. As appears from the file it has been worked on for an unduly long period of time. Only after repeated urging and claiming the contested decision was passed. The applicants know now why this happened. Evidently frequent questions and counter-inquiries were necessary in order to arrive at the contested decision. It would have been appropriate to give the applicants, who are represented by a lawyer in Austria, also a chance of defining their point of view in regard to the problems in question, the more so as they cannot be said to be of insignificant material value only. Instead of that, this decision arrived as a startling effect. Herein lies a violation of binding legal standards. (§ KVG).

5.) In the contested decision it is expressly stated that the claims involved in the subject case are claims for reimbursement of expenditures by the German Reich. On the grounds set forth above the

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Box

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- 12 -

applicants contest any authority of the Finanzlandesdirektion and the Republic of Austria to assert claims for indemnification on behalf of the German Reich or to go so far as to assure them in its own favor. The conclusions which have to be drawn from such a legal succession have been laid down above. Such a practice would enable everybody, who is entitled to raise indemnification claims against the German Reich, to proceed with success against the Republic of Austria, at least with a view to § 1409 abGB if not as universal successor.

6.) If, however, this stand of the Finanzlandesdirektion is justified, namely, that the Republic of Austria is entitled to pretend to claims which are due the German Reich, then I herewith counterbalance this claim of the Republic of Austria in its capacity as legal successor of the German State with the following claims of my clients:

My clients were owners of the following properties:

- a.) a shoe trading company in Linz, Landstrasse 54/56,
- b.) a shoe shop in Linz, Taubenmarkt 2,
- c.) a shoe shop in Wels, Kaiser Josefs Platz 10,
- d.) a shoe shop in Amstetten, Hauptplatz,
- e.) a shoe shop in Salzburg, Parislaudronstr. 2,
- f.) a shoe shop in Salzburg, Mirabellplatz 6,
- g.) a shoe shop in Braunau am Inn, Hauptplatz,
- h.) 25% of the shoe trading company Paga, Ges.m.b.H.,
- i.) a fashionably furnished apartment in the building
Linz, Bauernmarkt 2,

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Authority NND 785010By JAC NARA Date 7/12/00RG 260Entry 117File A-154Box 1

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j.) jewelry, cash and securities which were deposited with the Devisenbank.

All of these enterprises and values were sold by the German Reich without consent of the applicants by order of the Vermögensverkehrsstelle through a trustee at ridiculously low prices. The damage hereby inflicted upon my clients exceeds by far one million Schillings, even if one takes into consideration the fact that a number of the enterprises have been and will be restituted.

Herewith I assert in the name of my clients this claim against the Republic of Austria and I ask that this appeal be regarded at the same time as assertion of the claim concerned, the amount of which I shall have established and confirmed by experts and witnesses. These claims of my clients as well as Reichsfluchtsteuer (Emigration tax) and Judenvermögensabgabe (Jew property tax) possibly paid by my clients I counter-balance herewith up to the amount of S 117,930 with the claim contested by myself and due the Republic of Austria according to the contested decision, and I demand payment of the balance into a blocked account in favor of my clients. Moreover I demand in the name of Hans Pasch, who, as afore mentioned, is an American citizen, an amount of S 100,000.-- as indemnification for unwarrantable arrest, for injustice done to him, and for inhuman discrimination because of his Jewish descent; in addition, I demand

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in the name of my clients compensation for loss of income for the period from their expulsion from Austria to the day on which the enterprises are *actua*lly restituted to them, less the amounts which the aryanizers may have to pay to them as proceeds on the strength of the 3rd Rest. Law.

On all of these grounds I request that the decision be amended, insofar as it was contested, in such a manner that the property right of the applicants has to be recorded in consequence of the restitution of the subject real estate free of incumbrances and that the proceeds, as far as they are within the country, are to be handed over. The guarantee to be obtained by a lien and the recording of such a guarantee should not be accomplished.

For the applicants:

Vienna, 28 June 1948

Translated by: Gerhard Stuckmann

Checked by : Dr. Grete Lorenz

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DECLASSIFIED
Authority NND 785007
By BT NARA Date 7/12/02

RG 260
Entry 408
File Property German Persecutees 1-91
Box 166

Property of German Persecutees 1-91

TWAINTECHNICO

TWAINTECHNICO

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DECLASSIFIED

Authority NND 785007By BT NARA Date 7/12/00RG 260Entry 108File Property German Persecutees 1-91Box 166COPY~~RESTRICTED~~DRAFT AIRGRAMRESTRICTED

Re Department's A-108 of April 5, 1949.

In turning over German assets to the Austrian Government in trust, the appointment of an administrator is usually left to the discretion of the Government, and RD&R interferences only in cases where there is obvious injustice or where the appointment is demonstrably inappropriate for other reasons. The Government has been on the whole cooperative and has performed its function as trustee satisfactorily. In most cases it would be impractical, if not illegal, to appoint a non-resident of Austria as administrator. It would be practical to appoint his legal representative, and this is frequently done.

CCMcIvor/nvr

~~RESTRICTED~~RESTRICTED

class cancelled
13/1/50
F. J. Heat

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Authority NND 785008

By JB NARA Date 7-12

BOX

RG 260

Entry 101

File Restitution

Box THRU 31 JAN 49
42

SECRET

SECRET

RESTITUTION THRU 31 JAN '49

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339562

DECLASSIFIED
 Authority: NND 785008
 By: JB NARA Date: 7-12

BOX
 RG 260
 Entry 101
 File Restitution
76431 JAN 49
 DAY 42

MEMORANDUM

June 12, 1946 *Myron Matthews*

TO: MR. ERHARDT

FROM: MR. MC IVOR

SUBJECT: HUNGARIAN AND YUGOSLAVIAN PROPERTY IN AUSTRIA.

A Captain Nielsen, G-4, telephoned you, I believe, yesterday regarding Hungarian and Yugoslav goods now in our hands in Lina, part of it still in the barges we have on the Danube. Nielsen says that the Army could make good use of a lot of this material for "military purposes" and he also wants to take some of it on the basis that it would aid in the recovery of Austrian economy, i.e. turn it over to the Austrians.

In the earlier stages of the occupation a lot of this material was taken and used by the Army and a lot of it was handed over to the Austrians. The records kept at the time as to the disposition of the goods are probably rather sketchy. Furthermore, inventories are difficult because the goods were piled on to trains and into barges helter-skelter and in large part there are no bills of lading, invoices or other records.

Even subsequent to the early stages of occupation some of the materials have been released to Austrian civilian uses on the grounds that they could not be kept from deteriorating and that they were needed urgently (in one case) for medicinal purposes.

As you know the Hungarians have long been complaining that a third of their moveable assets were removed to the American zones, Austria and Germany, and that we were permitting these assets to be dissipated. The Hungarians particularly objected to our turning over any of the goods to the Austrians. Mr. Grove and I both felt that the goods had been rather loosely handled by the Army and that further deliveries for Austrian civilian use, at least, should not be permitted except in very exceptional cases. On the other hand, I concur in the view of our Property Central Division that the Hungarians have greatly exaggerated the value of their assets in Austria and doubt very much whether the return of everything they claim would have any appreciable effect on the restoration of Hungarian economy. Some of the assets claimed by the Hungarians are operating plants which have always been in Austria and are not moveable property.

With regard to identifiable Yugoslav property, I think the position is clearly that it should not be either taken by the Army or turned over to Austrian civilian uses since we are clearly committed to a policy of restitution to United Nations countries. Recently we have also received instructions that even Hungarian property is subject to restitution.

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By JB NARA Date 7-12

DUA

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Entry 101

File

Restitution
Thru 31 Jan 49

DUA

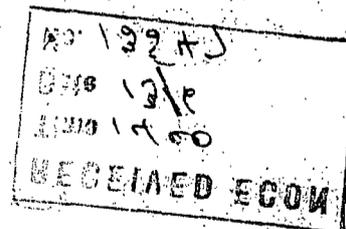
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The policy does not however apply to the boats and barges themselves. Our instructions now are not to return any of these to anyone without authorization. Mr. Schoenfeld's telegram (No. 167) reports a frank Hungarian complaint that American military authorities here are resisting restitution to Hungary contrary to what the Hungarians believe our policy to be. They complain that we have not even permitted Hungarian representatives to come into Austria to look for and identify Hungarian property. I think it is undoubtedly true that Property Control Division has resisted restitution and it is true that they have not permitted Hungarian representatives to come in. I think that they are covered by their directives in this position and that they are not entirely without sound basis in refusing to receive Hungarian representatives (they feel that, particularly in view of the extravagant Hungarian claims, the Hungarians simply want to come in to Austria on a foraging expedition and would probably just create more trouble).

I told Captain Nielsen that they ought to be very careful about requisitioning Yugoslav goods even for military use and certainly for delivery to Austrian civilian uses. I indicated to him that we hoped that they would not indiscriminately dispose of Hungarian goods in view of the strong representations that are being made by the Hungarians. I told him also that the whole question had been under consideration for months and that certain officers in Property Control and in the Economic and Transportation Divisions are familiar with the problem and should be consulted before any thing definitive is done. I have informed Transportation Division of Nielsen's ideas and will take it up with the officers concerned in Property Control and Economic Division as soon as they return to Vienna. Of course, I am not familiar with the details of the problem and the character, location and condition of the goods, but I should say in general at this time in view of our commitments to Yugoslavia and of the political issues that the Hungarians are raising, it would be most undesirable to permit any of this material to be disposed of to Austrian civilian uses or even for military uses except in very exceptional and urgent cases.

CCM:bm



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Authority NND 785008

By JB MARS Date 7-12

RG 260

Entry 101

File 150-Claims

Box 9

SECRET

150-CLAIMS

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DECLASSIFIED
 Authority NND 785008
 By JB NARA Date 7-12

RG 260
 Entry 101
 File 150-Claims
 Box 9

CONFIDENTIAL

Headquarters United States Forces in Austria
 USACA Section RD & R Division
 APO 777 U. S. ARMY

Reichs Kistenodien

U.S. Legation
 through G/USACA

Chief, RD&R Div.

24 July 1950
 H.H. SCHROEDER/B-48424/mb

1. Attached is a memorandum from the Legation to the RD&R Division, dated 14 July 1950. The RD&R Division believes that the Bonn Government is informed that certain items of the so-called Holy Roman Empire Crown Jewels were restituted from the Munich Central Collecting Point to Austria shortly after the war. These restituted items were prior to the Anschluss held by the Austrian Republic and in 1938 transferred to Nuremberg by the German Government.

2. The assumption that the Bonn Government knows about the restitution is based on the fact that the Bonn government did not inquire about the coronation robe, which is one of the major items of the total regalia. This coronation robe was discovered by U.S. troops in Austria at the end of the war and in 1948 at the recommendation of Washington transferred from Austria to the Central Collecting Point in Munich. The Central Collecting Point also has a record of the items restituted to Austria after the war.

3. The Bonn Government has indicated that it does not wish to cause a dispute with Austria over the ownership of the Crown Jewels but at the same time wants to know whether they can be returned to Germany. This Division believes that the Austrian Government would violently object to a transfer of the Jewels to Germany and would equally object to furnishing any information to the Bonn Government which might possibly prejudice the interest of Austria at any future date. It is pointed out that this matter is of great historical and cultural significance to Austria, Germany, the Vatican and certain other countries.

4. This Division is of the opinion that this is now a matter between the Austrian Government and the Bonn Government since the property was restituted to Austria. It is recommended that a suggestion along these lines be submitted to Washington prior to taking any further action in the matter. The RD&R Division will prepare the cable or supply to the Legation all historical and factual information believed to be vital for proper consideration of the matter by Washington.

Incl.
 DF #24 14 Jul 50
 by PGLAD

JAMES A. GARRISON
 Chief, RD&R Division

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Authority NND 785008
By JB NARA Date 7-12

RG 260
Entry 101
File 150A Claims
Box 9

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150A CLAIMS

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DECLASSIFIED
Authority: NND 785008
By: JB MARRA Date: 7-12

RG 260
Entry 101
File 150-A Claims
Box 9

CONFIDENTIAL

To: Econ Div
Polad
(in turn)

From: C/USACA

Date: 26 Sep 50 Comment 2
Mr Lesser/nls/B-48185

Request your comment and/or concurrence.

FOR THE CHIEF, USACA SECTION:

Incl: n/c

J. H. WHITING
Deputy Chief

TO: Chief, USACA
Thru: POLAD

FROM: Econ Gp

DATE: 27 Sept 50 COMMENT NO 3
WCArmstrong/jk/8324

Inasmuch as the production of the Ranshofen Aluminum Plant is expected to be utilized by Western European countries in the Rearmament Program, it is believed important that the proposed cable include data relative to the effect upon production if the 30 flat car loads of equipment were removed from the plant. It is also suggested that the present position of USFA be clearly stated in the last part of the cable. For example, the last two sentences might be deleted and substituted by the following:

"Under existing directives this Headquarters is still of the opinion that the equipment is properly classified as German external assets. However, in view of the political situation in relation to Yugoslavia, your comments relative to the renewed Yugoslav claim are desired."

Incl: n/c

WALTER C. ARMSTRONG
Chief, Economic Group

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Authority NND 785008

By JB NARA Date 7-12

RG 260

Entry 101

File 152-A Claims

Box 9

CONFIDENTIALDRAFTPROPOSED CABLE

TO: ARMY PASS TO STATE

Subject is Yugoslav claim for Aluminum Plant Equipment.

Large German Aluminum Concern Vereinigte Aluminium Werke Berlin during war built large branch plant in Yugoslavia. Machinery for the plant was built in Germany and shipped to Yugoslavia. Towards end of war home office of German company ordered equipment returned to Germany. Some of it reached Germany, some of it was seized by British and U.S. authorities in their Zones of Austria. Equipment in British Zone was subsequently consolidated with equipment stored in U.S. Zone at Ranshofen Plant of Vereinigte Aluminium Werke. Total equipment is estimated at 30 freight car loads of thousands of items ranging from valves, condensers and hand-tools to small locomotives and concrete mixers. Equipment important to Yugoslavia to complete construction of Aluminum plant, useful to Austria as spare parts but not believed critical for Austrian economy. Yugoslav Government nationalized plant after the war and filed claim for restitution of equipment in Austria on basis that machines were property of Yugoslav State-owned factory and insofar as removed by Germans subject to restitution. The British prior to consolidation of equipment rejected claim in 1947 on basis that property was an apparent German asset. This Headquarters rejected claim in 1948 on basis that property represented German External Asset in Austria. The Yugoslavs recently renewed their claim on basis that part of the equipment which reached Germany was in 1947 restituted to them by U.S. authorities in Germany. Confirmation has been received

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Authority NND 785008
By JB NARA Date 7-12RG 260
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Box 9**CONFIDENTIAL**

from Hicog that equipment was delivered to Yugoslavia in recognition of valid restitution claim and not as reparations. Believed possible here that policy towards dismantling of German war machine in 1947 permitted latitude in restituting certain equipment from Germany whereas directives received for Austria with consistently narrowed definition of looting resulted in rejection of Yugoslav claim to property in Austria in 1948. USFA intended to propose sale by Austrian Government as trustee and possible future owner of property to Yugoslav Government as solution to awkward situation. But Yugoslavs now request clear cut decision on restitution claim. Considered here that matter is now probably primarily of political importance. Request guidance or decision as to disposition of renewed Yugoslav claim.

2

CONFIDENTIAL

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DECLASSIFIED
Authority NND 785006
By TO NARA Date 7/12/00

RG 260
Entry Director Files
File Revised/T/A
Box 29

15

Revised T/A

75-4-49 - 5-10-50

REVISED T/A

ANNEXES TO

PROPOSED TABLE OF ALLOWANCES

ECONOMIC GROUP, USACA

ITEM NO.	NOMENCLATURE	QUARTERMASTER EQUIPMENT ON HAND	EQUIPMENT REQUIRED	BLAND AND REAL ESTATE NOMENCLATURE	ON HAND	BASIS OF DISTRIBUTION AND REPAIRS RE T/A QUARTERMASTER EQUIPMENT
1	Desk case, 4 Sections	0	6	Deskcase miscel.	6	1 per Group Chief, 1 per Div. Chief and 1 per Adm. Section.
2	Chair, office, revolving, w/arms and leather seat	0	24	Chair, office w/arms	24	1 per Field Grade Officer of equal 1 per Desk Exec. type.
3	Chair, office w/arms	0	14	Chair, office w/arms, miscel	14	1 per Company Grade Officer or equ.
4	Chair, office, bench type	0	153	Chair, office w/o arms Chair, office w/arms	126 27	4 on Div. Chief & Field Gr. Off. 1 on enl. grade or equal and 1 on Austrian Employee.
5	Chair, typist, swivel, postur	0	27	Chair, typist, swivel, post.	0	1 on Secretary, 1 on Stenographer (See Note 1.)
6	Desk, office, exec. type	0	24	Desk, office, miscel.	24	1 on Field Gr. Off. or equal
7	Desk, office, flat top, single	0	81	Desk office, miscel. table flat top, miscel.	68 13	1 on Co. Off. or equ. 1 on D/A and Austrian employee. (See Note 1.)
8	Desk, Steno-Typist	0	27	Desk typewriter, miscel. table, miscel.	23 4	1 on Secretary, 1 on Stenographer (See Note 1.)
9	Hall Tree	0	28	Wood Tree & Centrack, miscel.	20	1 per Group Chief, 1 per Div. Chief 1 per 4 persons, 1 add. on Branch & Section Chief.
10	Safe, Field, w/ combination & lock	3	9	Safe, miscel.	4	1 per Div. & Branch Chief, 1 per Group Chief and Exec. Officer
11	Section Furniture, 4 drawer, steel, w/lock, hasp & keys	11	55	Cabinet, file, wood, miscel. drawer & locker type	10	1 per Group Chief, 1 per Div Chief 1 on Exec. Off. 2 on Adm Section as required for each branch and Sec. of Div. (See Note 2.)

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Entry General Files
File Revised/TA
Box 29

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AND 785006

Authority

BY TS NARA Date 7/13/00

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339572

RG 260
 Entry General Files
 File Revised/TA
 BOX 29

DECLASSIFIED
 AUTHORITY AND 785006
 BY T2 NARA DATE 7/12/00

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ITEM NO.	NOMENCLATURE	QUARTERMASTER EQUIPMENT ON HAND	REQUIRED	LEASED AND REAL ESTATE NOMENCLATURE	ON HAND	BASIS OF DISTRIBUTION AND REMARKS RE T/A QUARTERMASTER EQUIPMENT
12	Shelf, Stationary & Supplies	0	5	Shelves, local mfg.	5	1 per Adm. Section, 1 per Div. plus requirements for Br. & Sec. (See Note 3.)
13	Table, flat top, 42" x 54"	0	14	Table, flat top, miscel.	31	1 per Div. 1 per Branch, 2 per Sec.
14	Table, flat top, 46" x 108"	0	5	Table, flat top, miscel.	5	1 per Group Chief, 1 per Div. Chief

- Notes:
1. Desk office, flat top, single with typewriter attachment authorized in lieu of desk office and desk stenotypist for Secretaries and Stenographers.
 2. Section Furniture, 4 drawer, wood may be issued in lieu of steel when approved. Wooden sections must be equipped with locks and lumps.
 3. To be manufactured locally as required.

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RG 260
Entry *Carroll Files*
File *Revised/TA*
Box 29

DECLASSIFIED
AND 785006
AUTHORITY
By *TC* NARA Date *7/17/00*

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ITEM #

NONCLASSIFIED

JUSTIFICATION

- | | | |
|----|---|---|
| 1 | Bookcase, 4 sections | Required for reference books, publications, regulations and other book form requirements. |
| 2 | Chair, office, revolving, w/o arms, leather upholstered | Required for each "Executive Type" desk issued to Field Grade Officers or Equivalent. |
| 3 | Chair, office, w/arms | Required for each desk issued Company Grade Officer or equivalent. |
| 4 | Chair, office, barrack type w/o arms | Required for each person employed in enlisted grade or equivalent and for each Austrian employee. Additional 4 for each Field Grade Officer or equivalent for seating visitors and for conference room seats. |
| 5 | Chair, typist, swivel, posture | Required for each typist and secretary issued a desk, typewriter, whether in "pool" or individual office. |
| 6 | Desk, office, Executive Type | Required for each Field Grade Officer or equivalent |
| 7 | Desk, office, flat top, single | Required for each Co. Grade Off. or equivalent and each Austrian employee for proper work performance. For sorting, assembling and preparation of correspondence, publications, etc. (Not required for steno-typists if assigned to "Pool"). |
| 8 | Desk, Steno-typist | Required for each Typist and secretary. (note) can be eliminated if desk office flat top single with typewriter attachment is available. |
| 9 | Halltree, wood | Required to hang wraps and hats of all employees and visitors. |
| 10 | Safe, Field, w/comb. lock padlock & 2 keys. | For security Top Secret correspondence etc. |
| 11 | Shelf, stationary & supplies | For storage of Office supplies thereby supervision may be maintained for economy. |
| 12 | Section Furniture, 4 drawer steel with lock-hasp & keys | Required for filing classified and unclassified correspondence - security requires files to be locked when not in use. In units of this type files cannot be retired as periodically as normal military units due to peculiarity and continuous reference requirements. |
| 13 | Table, flat top, 24" x 54" | Required for separating, display, and assembly of correspondence, maps, plans, and small conference work. |

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FORM 1

NONCLASSIFIED

JUSTIFICATION

RG 260
Entry General Files
File Revised/TA
Box 29

DECLASSIFIED
AND 785 006
Authority
By T2 NARA Date 7/12/00

- 14 Table, flat top, 48" x 108" Required for conferences held by Group and Division Chiefs with various Government Officials, agencies, and intergroup personnel.
- 15 The Economic Group, USAA Section of Headquarters United States Forces in Austria, has the assigned mission in conjunction with other USAA Divisions, of establishing and supervising political and activities respectively of the Austrian Government under Allied Council Control with a view to Austria's eventual emergence as a free and independent nation economically sound. This mission covers the fields of economics, finance, social administration, and transportation on land, rail, and inland waterways, and consists of the following:
 - Peak of Commanding Officer: P-6
 - 24 Field Grade Officers or Equivalent.
 - 14 Company Grade Officers or Equivalent.
 - 14 Enlisted Grade or Equivalent
 - 52 Total D/A Personnel.
 - 43 Austrian Employees.
 - 95 Total Personnel all categories.

Comprising

 - 1 Group Chief and Section
 - 4 Divisions
 - 9 Branches
 - 3 Field Sections.
- 16 There is no existing TO &/E stabilized.

DECLASSIFIED

Authority *NND 785 006*

By *TJ* NARA Date *7/12/00*

RG

26.0

Entry

Director Files

File

Revised/TA

Box

Informal Routing Slip

HEADQUARTERS
UNITED STATES FORCES IN AUSTRIA
APO 777, U.S. ARMY

SUBJECT: Annexes to Proposed Table of Allowances

Number each message consecutively. Fill in all columns, authenticate message, draw a line across the page just below authentication. Use entire width of page. Use only for inter-office communications.

NO	FROM	TO	DATE	MESSAGE
4	Legal Div USACA	Dir USACA	28 Oct 49	<p>1. The following report is submitted as requested in Minute #3.</p> <p>2. This Division is organized as follows:</p> <p>A. Personnel:</p> <p>(1) Strength of the Section - 50</p> <p>(2) Breakdown of using personnel:</p> <p>(a) Officer (field grade) - 1</p> <p>(b) U.S. Civilians of field grade rank - 15</p> <p>(c) U.S. Civilians below rank of field grade - 14</p> <p>(d) Austrian civilians - 20</p> <p>3. In addition to the items listed in report submitted 26 July 1949 "Revision of Allowances for USFA Hqs", the attached list of essential property with justification therefor is submitted.</p> <p>FOR THE DIVISION CHIEF:</p>
	JJD'C/LMK/ep Tel: Vienna B 48406			<p>2 Incls 1-List 2-Justification</p> <p><i>Jeremiah J O'Connor</i> JEREMIAH J O'CONNOR US DA Civ Deputy Chief, Legal Division</p>

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Authority NND 785 006
By TJ NARA Date 7/12/00RG 260
Entry DIRECTOR FILES
File Revised/TA
Box 29

AG-4

Informal Routing Slip

HEADQUARTERS
UNITED STATES FORCES IN AUSTRIA
APO 777, U.S. ARMYSUBJECT: Annexes to Proposed Table of Allowances

Number each message consecutively. Fill in all columns, authenticate message draw a line across the page just below authentication. Use entire width of page. Use only for inter-office communication.

NO.	FROM	TO	DATE	MESSAGE
3	D/USACA	Legal Division	20 Oct 49	<p>1. References: (a) USFA Memorandum AG 400.34 GDL 5 Oct 1949, Subject: "Annexes to Proposed Table of Allowances", and (b) EUCOM circular No. 81, 20 June 1949, Sec 3 and annexes.</p> <p>2. The report submitted for your division under date of 13 Oct 1949 is not in accord with the requirements as set forth in above references and is returned herewith for correction. The report is in incorrect format and contains no justifications. Location of equipment by rooms is not required, nor desired, for this report.</p> <p>3. The corrected report will not carry any items listed in the report submitted in accordance with USFA Memorandum 400.34 GDL 26 July 1949, "Revision of Allowances for USFA Headquarters". "Operational Necessity" will not be accepted as suitable justification for any item; explicit justification will be required.</p> <p>4. In furnishing the data requested in 2a(3)(c) of Memorandum 5 Oct 1949, state number of US civilians of simulated rank of field grade or higher. When completing the "on hand" and "allowance" columns, provide for executive type desks for all officer and US civilian personnel of field grade and higher.</p> <p>5. Original and three copies of the report will be forwarded to the Office of the D/USACA.</p> <p>6. If you have questions which cannot be answered by study of the references given, Capt Wilson, S-4, Tel: Vienna, A-13057, may be contacted.</p> <p>FOR THE DIRECTOR USACA  R. W. MARVIN Lt Col Inf Adjutant</p>

CS:lds

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 By TJ NARA Date 7/14/00

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470

Informal Routing Slip

HEADQUARTERS
 UNITED STATES FORCES IN AUSTRIA

SUBJECT: Annexes to proposed Tables of Allowances

Number each message consecutively. Fill in all columns, authenticate message, draw a line across the page just below authentication. Use entire width of page. Use only for inter-office communication.

No	From	To	Date	Message
2.	Legal Div USACA	Off/Dir USACA	13 Oct 49	<p>1. The following report is submitted in compliance with Minute 1.</p> <p>2. This Division is organized as follows:</p> <p>a. Personnel:</p> <p>(1) Strength of the Section - 51</p> <p>(2) Rank of the Commanding Officer - Colonel</p> <p>(3) Breakdown of using personnel:</p> <p>(a) Officers - 1</p> <p>(b) Enlisted personnel - 1</p> <p>(c) U.S. Civilians - 29</p> <p>(d) Austrian civilians - 20</p> <p>b. A list of real estate property is attached.</p> <p>c. Due to the great number of employees in this Division, the large amount of space occupied (including the Legal Library and Court Room), the large quantity of books and files on hand, and the number of daily visitors, it is felt that this property is essential to the Legal Division.</p>

FOR THE DIVISION CHIEF:

JJO'C/MMK/rp

Telephone: Vienna B 48406

Incl
a/s

Jeremiah J. O'Connor
 JEREMIAH J. O'CONNOR
 US DA *K* Civ
 Deputy Chief, Legal Div

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By TJ NARA Date 7/12/00

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Annexes to proposed Tables of Allowances

1 Off/Dir Legal 10 Oct
USACA Div 1949

1. Reference is made to letter AG 400.34 GDL, 26 July 1949 and AG 400.34 GDL, dated 5 October 1949, Subject: "Revision of the table of Allowances for USFA Headquarters.

2. It is requested that the required report be submitted to this office for consolidation before 14 Oct 1949.



R.W. MARVIN
Lt Col Inf
Adjutant, USACA

GS/js
Telephone: B-48192

COMM. DIV.
LINE 102
DATE 13 OCT 1949
REVT DIV

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By TJ NARA Date 7/12/00RG 260
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ANNEXES TO PROPOSED TABLE OF ALLOWANCES

Legal Division, USACA

a. Personnel

- | | |
|--|---------|
| (1) Strength of the Section | 50 |
| (2) Rank of Chief | Colonel |
| (3) Breakdown of using personnel: | |
| (a) Officer (field grade) | 1 |
| (b) U.S. Civilians of field grade rank | 15 |
| (c) U.S. Civilians below field grade | 14 |
| (d) Austrian Civilians | 20 |

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ANNEXES TO PROPOSED TABLE OF ALLOWANCES

USACA Legal Division

b. Property:

Item #	Item	On Hand	Needed
1	Chairs	134	66
2	Desks (executive type)	32	16
3	Desks (clerical type)	25	34
4	Sofa	1	1
5	Tables	35	15
6	Cloth trees	8	8
7	Book stands	5	5
8	Wall lockers	11	11
9	Stools	5	0
10	Book shelf	14	14
11	Cabinets	15	15
12	Safes	5	5
13	Benches	2	2
14	Telephone stands	2	0
15	Rug	1	1

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JUSTIFICATION

1. This is an allowance of two chairs for each person of field grade rank and one chair for each remaining person.
2. This is an allowance of one desk for each person of field grade rank.
3. This is an allowance of one desk for each person under field grade rank. Due to the shortage of clerical desks in this Division, executive type desks are used in some cases, such as for the administrative aides and American secretaries.
4. This is needed in the Colonel's office for visitors and is used when conferences are held in the Colonel's office.
5. These are used for books, writing, and are necessary as typewriting tables where small desks are in use.
6. These are spread over the Division and are used as coat racks.
7. These are needed because of the large amount of books in some offices.
8. These are needed and used as cloth closets, storage of paper, files and supplies.
9. These are used in the place of chairs but are not essential.
10. These are essential for the great number of books in our law library and various other books throughout the Division.
11. These are needed for the storage of files, work papers, and correspondence throughout the Division.
12. These are used in our Administration Branch for the storage of secret and other classified documents and work papers of the Division as a whole.
13. These are used in the receptionist's hall for visitors.
14. These are presently in use but are not essential.
15. This is presently in use in the Colonel's office.

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Annexes to Proposed Table of Allowances

3 D/USACA Legal 20 Oct 49
Division

1. References: (a) USFA Memorandum AG 400.34 GDL 5 Oct 1949, Subject: "Annexes to Proposed Table of Allowances", and (b) EUCOM circular No. 81, 20 June 1949, Sec 3 and annexes.

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5. Original and three copies of the report will be forwarded to the Office of the D/USACA.

6. If you have questions which cannot be answered by study of the references given, Capt Wilson, S-4, Tel: Vienna, A-13057, may be contacted.

FOR THE DIRECTOR USACA

R. W. MARVIN
Lt Col Inf
Adjutant

GS:lds

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By JK NARA Date 7/3/00

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Entry

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Box

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Folder IL-330

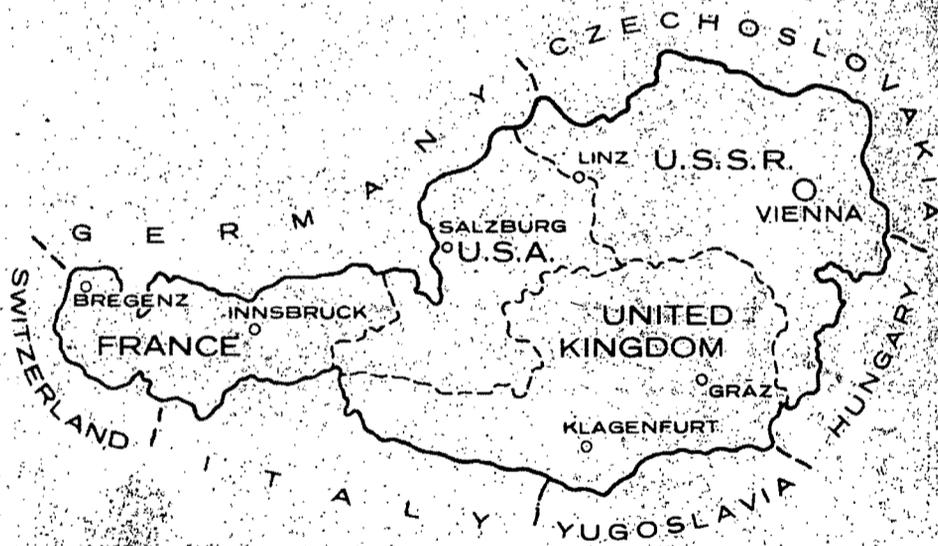
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By JW NARA Date 6-26

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MILITARY GOVERNMENT AUSTRIA



Report of the United States Commissioner

339585

*February 1946
No. 4.*

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By JW NARA Date 6-26

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REPORT OF U. S. COMMISSIONER



INVESTIGATION OF ALLEGED MILITARY AND PARA-MILITARY ORGANIZATIONS

The most interesting incident came to light when the Soviet Representative on the Executive Committee, at a meeting on 8 December, casually mentioned "an Austrian Brigade" in connection with his proposal that each Commander in his own zone liquidate all military and para-military organizations before 15 January.

A hint as to the future seriousness of the matter developed in the Allied Council meeting of 10 December. The British member stated he was willing to accept such a resolution although he saw no point to it because each Commander was told to do something already done. The Soviet member countered with the statement that this was a most important question and deserved our complete attention; that under cover of the Chancellery, Renner had already organized a complete general staff and that six numbered regiments of Austrian prisoners had been organized in Styria as well as a corps of White Guard Infantry. The Soviet Element demanded the immediate disbandment of these organizations.

The British member stated that they employed certain labor units of surrendered enemy personnel and that there were no military organizations of any sort in the British Zone. He also stated that there would have been no Austrian surrendered personnel in the British Zone if the Soviets had permitted their return to their homes in the Soviet Zone.

The Soviet member expressed his satisfaction with the previous statement but added that measures were needed to disband these formations because the Austrian Government had applied to him for permission to set up an army of 15,000 men on the basis of the formations then existing in the British Zone.

As a result of the discussion the Executive Committee was instructed to examine all allegations that military or para-military organizations existed in the zones. Subsequently it was agreed that an inter-Allied committee composed of representatives of the Military Divisions should investigate and report upon Austrian military formations and their activities throughout the whole of Austria.

At the Allied Council meeting on 10 January, Marshal Konev submitted a letter, without previous notice to the other elements or consideration by lower echelons of the Allied Commission, containing data as to the presence of military and para-military organizations, which listed 14 organizations, the most important

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of which were given as an Austrian Brigade of about 15,000 men, Rogozhin's Corps of more than 6,000 men and Noeldichen's German Corps of about 30,000 men, all in the British Zone. The letter further stated that it was impossible to take definite action on the complete abolition of Austria's war potential as demanded by the decisions of the Berlin Conference because of the obstacles being placed in the way of demilitarization. The opinion of the Commanders in Chief was requested. It was agreed, after the U. S. and French Commanders in Chief had stated they were convinced that no military or para-military organizations were in fact in existence in their zones and the British member had stated that he was quite free from anxiety, that consideration of the letter would be deferred until the Military Division investigating Committee reported on 1 February.

The Military Division Representatives visited all four zones, besides investigating the Heeresamt (Army Office) in the Federal Chancellory and various other installations in Vienna. The following facts were developed: When the Renner Government submitted its plan of organization to the Soviet authorities shortly after the occupation of Vienna, the plan contained provision for an Army Office in the Chancellory for the purpose of assisting in the liquidation of all Austrian military organizations and installations in Austria. It was found that this office had assisted in such work as the location and removal of mine fields, the removal of unexploded bombs and similar work. It had also assisted in distributing Austrian prisoners of war to their homes but in doing so had compiled lists of those so handled. These lists could be useful to the Government as matters of record with respect to future pensions and could equally well be used for the purpose of establishing a new Austrian army whenever such an army was authorized by the Allied Council. To perform this work the Heeresamt had established branches in various places throughout Austria. In accordance with the decision of the Allied Council on 10 December the Heeresamt and all of its branches had been dissolved before 10 January except one or two offices in the Russian Zone whose existence had not been previously known. The investigation of the Heeresamt and its branch offices indicated clearly that some members of its staff, in addition to their work on the liquidation of military organizations and installations, had indulged in discussions concerning the organization of a future Austrian army and had even committed some ideas to paper.

The Committee worked in Vienna, the U. S., British, French and Soviet Zones in turn. No significant facts were developed in the U. S. or French Zones other than those which showed there had been branches of the Heeresamt at work there, that these branches had been dissolved and that their records were in Allied hands. The same was true in the Soviet Zone except that one or two previously unknown Heeresamt branches were found and closed.

The record shows that in the British Zone the so-called Rogozhin White Guard Infantry Corps was originally an organization of White Russians recruited and used by the Germans as

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line of communication troops. While under British control its numbers had never exceeded 3,000 and had gradually been reduced to approximately 2,000. For purposes of administrative convenience the British had dealt with this group through a Colonel Rogozhen. On 1 November 1945 the remainder of this group had been put in a displaced persons camp and was no longer treated as a military organization. Of those remaining in the camp it was estimated that approximately 900 were women and children and 200 to 300 more were physically unfit.

At the time of entry of the British into their zone in Austria all Surrendered Enemy Personnel were separated by Nationalities (German, Austrian and White Russian), organized into labor units, and the labor units grouped under Brigades and Corps (mentioned herein), in accordance with the general plan covered in AFHQ directives. This reorganization was for purposes of administration. The administration of the labor units was controlled by former Wehrmacht officers under direction of the British authorities.

"Noeldichen's German Corps" was composed of surrendered German personnel organized into labor units under control of their own officers and used to perform necessary work in the British Zone pending completion of arrangements for their return to Germany. It was, however, found that the records of the Heeresamtstellen in the British Zone had been destroyed by British Intelligence personnel. It was also established that at the time of the Committee's visit the majority of surrendered enemy personnel were not under guard.

In Vienna in addition to the information previously mentioned it was found that after 10 December 1945, while the Heeresamt had been abolished as such, component parts of that office had been reestablished in other ministries under different names but in several cases with identical functions. Time had not permitted the Committee to establish whether these functions were of a military or para-military nature, or purely administrative, such as for the payment of pensions. It was also found that two Austrian Battalions from Yugoslavia, which had fought against the Germans and arrived in Vienna in June, had retained their Yugoslavian uniforms and arms and were employed by the Ministry of the Interior to assist the police as frontier guards in Lower Austria and in the performance of other police duties in Vienna. While on duty they carried pistols. Their machine guns, mortars and other weapons and ammunition were stored in a Viennese police magazine. Some other stores of food, clothing and equipment other than arms were also frankly reported by the police officials when they were questioned and found to be in Vienna.

Although there were frequent moments of high tension during the work of this Military Division investigating committee, it eventually presented a unanimous report to the Executive Committee on 5 February 1946. This report was considered at an extraordinary meeting of the Executive Committee on 9 February and after prolonged discussion the following draft resolution was recommended for adoption by the Allied Council:

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"a. that demilitarization in Austria was not being accomplished by the Austrian Government as directed by the Berlin Declaration regarding the defeat of Germany dated 5th June 1945, and the resolution of the Allied Council on this subject dated 10th December 1945.

"b. That the Austrian Government was cognisant of the existence of official organizations within its structure which envisaged the reconstruction of an Austrian military force and was engaged in activities to this end.

"c. Certain potential military organizations were found to exist in all zones as disclosed in the report of the Chiefs of the Quadripartite Military Division.

"2. The Executive Committee recommends approval of the report of the Quadripartite Military Division, and further recommends the following to the Allied Council:

"(i) (a) to direct the Austrian Government immediately to dissolve all military and para-military organizations throughout the territory of Austria no matter under what camouflage they may exist.

"(b) the Government is required to state the action taken by it to implement the Allied Council's decisions of 10th December 1945 and today's decision by the Allied Council, and particularly penalties laid down for any violations.

"(c) the Austrian Government will debar ex-General Winterer from holding any public office. The cases of other responsible persons will be examined by each Commander-in-Chief in his own zone, and by the Vienna Inter-Allied Command for Vienna. The Commanders-in-Chief and Vienna Inter-Allied Command will submit lists of responsible persons to the Allied Council for decision; the first list to be placed before the Allied Council on 25th February 1946.

"(ii) to warn the Chancellor and Ministers against the toleration and concealment of military and para-military organizations in Austria. Also to express to Dr. Renner, the former Chancellor of Austria, the displeasure of the Allied Council that, during his period of office as Chancellor, the Heeresamt was allowed to engage in illegal military activities.

"(iii) to promulgate in the press, in an agreed special communique, the Allied Council's decisions on this subject. A suitable draft communique has been

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prepared by the Quadripartite Military Division for agreement by the Allied Council, with Dr. Renner's name omitted, (being issued separately as Appendix 'B').

"(iv) to instruct the Quadripartite Military Division to continue the investigation of Austria's war potential and to submit reports to the Allied Council from time to time regarding the final liquidation of all military and para-military organizations, terms of reference to be submitted to the Executive Committee by 20th February 1946."

In the Allied Council the Soviet member stated that he intended to propose certain amendments to the Executive Committee resolution but requested the British member to comment upon the Soviet letter of 10 January. The significant new points in the British comments were that the "Aldrian's Austrian Brigade" was being shipped to the Soviet Zone at the rate of 1500 men per week, and that in the light of Soviet objections to having "Noeldichen's German Corps" administered by a skeleton staff of German officers, arrangements had been made for the earliest possible return of every German officer to Germany, and that it could not be expected that each Ally would work out the same problem in exactly the same manner. After prolonged discussion of the British comments the Soviet member proposed three amendments to the Executive Committee resolution. These were:

a. All the facts laid down in the Soviet letter of 10 January have been approved.

b. The Allied Council requires the Austrian Government to dismiss three officials who bore the main responsibility for the organization of the Heeresamt from any public office and to disbar them from any future public office and from any leadership in cultural, professional or sports organization. Each Commander in Chief was to take appropriate measures in his own zone concerning other persons involved.

c. Because the greatest part of these military organizations were found in the British Zone, the Allied Council asked the British Commander in Chief to recite the measures taken to disband the so-called labor units of Rogozhin, Noeldichen and Aldrian, together with the dates of disbandment.

The U. S., French and British indicated their readiness to acknowledge the obligation of the Allied Council to Marshal Konev for his letter of 10 January but would not agree that all of the statements made in it were proved. After prolonged and sometimes heated discussion a recess was taken to permit a conference between the Soviet and British members.

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At the conclusion of this conference the British Representative stated that he was willing to include the following statement: "that in the British Zone it was found that Austrian and German officer prisoner of war staffs were employed in the administration of prisoner of war units; and

"that in the opinion of the Allied Council this was not a fulfillment of the Berlin Declaration of 5 June regarding the defeat of Germany; and

"that the Allied Council instructed the British Commander immediately to dissolve these staffs; and

"that the British Commander agreed."

He further recommended that the Deputies attempt to reach an agreement on the resolution on the above basis. The Soviet and English Deputies left the room and presently returned and reported the following agreed wording:

"At the end of paragraph 1 (c) add:-

"In the British zone it was found that Austrian and German Officer PW staffs were employed to administer the POW labour units.

"In the opinion of the Allied Council this did not constitute a fulfillment of the Declaration regarding defeat of Germany of 5th June 1945.

"The British Commander-in-Chief agreed, therefore, to dissolve these officer staffs immediately."

They also recommended the following paragraph:

"The Allied Council approved of the report of the Quadripartite Military Division and arrived at the following decisions, after taking fully into account the memorandum of Marshal Konev of 10th January 1946 regarding military and para-military formations in Austria:-"

The Soviet Representative, however, stated that there was nothing about the troops. If there were staffs there must have been troops and suggested the following substitute for the first two paragraphs:

"In the British zone it was found that German, Austrian and White Czarist Russian Officer PW staffs were employed to administer the so-called labor units. In the opinion of the Allied Council this does not constitute fulfillment of the Berlin decision of 5 June."

The British Representative refused to accept the Soviet Representative's amendments to his Deputy's recommendations. Despite pleas by the French and U. S. Representatives to avoid the first failure to reach agreement on any subject the

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Soviet Representative refused to yield on the ground that these were matters of principle.

Reviewing the development of this issue over the period of approximately two months it is not at all clear from the facts established that there was any violation of the German surrender terms.

Certainly there was no evidence of any attempt or intention to organize military resistance against the occupation forces. The fact that Chancellor Renner raised the question of organizing an Austrian Army with Marshal Konev supports that conclusion. An Austrian military force of some kind must be established as the ultimate sanction behind the Austrian government before the allied occupation forces can safely be withdrawn. Chancellor Renner chose an inopportune time to raise the question and his action in promoting some of the officers in the Heeresamt to the rank of general was ill-advised. The worst that can be said about these Heeresamt officers is that they were guilty of impropriety in anticipating future action by the Allied Council as to the constitution of an Austrian army and that they did not show a cooperative attitude when their activities were investigated. The existence of two small battalions of Austrians which had been organized in Yugoslavia and had fought against the German army can scarcely be considered a violation of the German surrender terms. Likewise the employment of former Austrian officers who had also served in the Wehrmacht was not unreasonable for the purpose of assisting in demobilizing Austrian members of the Wehrmacht and dealing with Wehrmacht installations in Austria.

The Heeresamt and its subsidiary offices were all dissolved prior to the completion of the investigation of the Military Division Committee with the possible exception of the administrative personnel transferred to other ministries of the Austrian government and their continued existence may well be justified for civilian administrative purposes.

With respect to the three much discussed alleged military organizations in the British Zone, one had been transformed into a group of displaced persons on 1 November 1945. The second was in the process of dissolving and would have been dissolved long before if arrangements could have been made to send its members to their homes in the Soviet Zone, Austria, while the third was likewise awaiting the completion of arrangements to transport its members to Germany. The method of administering these organizations through skeleton staffs of former Austrian and German officers of the Wehrmacht was entirely in accord with the plans adopted by AFHQ for handling the huge numbers of wehrmacht surrender personnel and was the method actually in operation at the time the German surrender terms were signed in Italy.

No action was taken with respect to the question of military or para-military organizations in Austria since the meeting of the Allied Council on 11 February, so it is still

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not evident why so much importance was attached to it nor why it was brought to the point of causing a break in the unity of the Allied Council.

DISTRIBUTION OF AUSTRIAN SCHILLING CURRENCY AMONG THE FOUR POWERS

On 28 February, without prior consultation with the other commanders, Marshal Konev presented to the Austrian authorities a demand for S. 200,000,000 to cover military expenditures for the month of February. This action raised again the issue reported upon in the Annex to the Report of the U. S. Commissioner for November, 1945: namely, whether or not there would be prior coordination within the Allied Council of the respective demands of the four occupying forces for Austrian currency.

The issue had also been raised in January, when Marshal Konev had presented a similar demand for S. 300,000,000. At that time, the three other commanders wrote to the Austrian authorities, informing them that, by an understanding reached on 16 November 1945, the distribution of Austrian National Currency among the four Forces of occupation would be the subject of informal conferences of the four Commanders-in-chief; that no such conference had yet been held with respect to amounts in addition to the original allocation of 1,500,000,000 schillings for use by the occupying forces; and the Austrians were therefore requested to defer action on the Soviet request until the four Commanders had conferred in accordance with the decision taken on 16 November 1945.

As a result of this action, the Austrian authorities informed Marshal Konev that payment would be deferred until they were notified that the four Commanders had reached an agreement. An agreement was, in fact, subsequently reached whereby, of a total of S. 405,000,000 available for military needs according to the formula agreed upon by the Allied Council on 16 November 1945, the Soviets received S. 240,000,000, and each of the other powers received S. 55,000,000.

With this precedent established, the Austrian authorities replied to Marshal Konev's demand of 28 February that they regarded themselves as bound by the January letters of the three other commanders, that they could not pay out of the S. 200,000,000 requested until they were notified that an agreement had been reached by the Allied Council.

RUSSIAN "LOAN" OF RM. 400,000,000

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REPORT OF U. S. COMMISSIONER

Related to the foregoing, in that both cases involved the question of unilateral action as opposed to action through the Allied Council, was the case of a "loan" of RM. 400,000,000 by the Soviet military authorities to the Austrian Government. Briefly, the history of this "loan" is as follows:

At the time of the occupation of Vienna by the Soviet forces, they seized currency amounting to some RM. 545 Millions found in Austrian banks. In June, 1945, the Russians advanced RM. 400,000,000 of this amount to the Austrian Government for the special purpose of stamping this currency in order to effect a conversion of the circulating Reichsmarks into stamped Reichsmarks. This conversion plan was later abandoned. When, moreover, the conversion into Austrian schillings was decided upon by the Allied Council at its meeting on 30 November, 1945, the Austrian authorities prepared the RM. 400,000,000 in packages ready for delivery to the Soviet authorities, and reaffirmed their readiness to return the Reichsmarks in kind. The Soviet authorities, however, refused to accept delivery of the Reichsmarks, and on 11 January 1946, demanded repayment of the full amount in Austrian schillings: their contention being that they had advanced currency which was legal tender in Austria at the date it was advanced, and that they were therefore entitled to repayment in currency which was legal tender in Austria at the date of repayment.

Unable to reach an agreement with the Soviet authorities, the Austrian government, in a memorandum dated 6 February, 1945, and signed by the Foreign Minister, asked the Allied Council to render a decision on the question, pointing to the inflationary consequences of an additional issue of S. 400,000,000 at this time; to the fact that the Allied Council had decided upon the conversion into Austrian schillings in cooperation with the Austrian Government; and to the fact that the Allied Council, as the supreme authority in Austria, had responsibility for the stability of the new currency.

As a result of this appeal to the Allied Council, Chancellor Figl was summoned by the Soviet Deputy Commissioner; and in the ensuing interview the Chancellor agreed to repayment of the S. 400,000,000 in Austrian schillings.

This agreement still required, however, approval of the Austrian cabinet. On 26 February, prior to the meeting at which the cabinet decision was to be taken, representatives of the Austrian government had informed the U. S. Element of developments. The result was that the U. S. Commissioner addressed a letter to the Chancellor, in which he stated that if the proposed agreement were signed, the U. S. Element would submit to the Austrian government a claim for S. 1,975,660,000, representing the amount of A.M. Schillings advanced by the U. S. to the Austrian Government. He added that the basis of this claim by the U. S. would be that recognition by the Austrian government of the Soviet claim to S. 400,000,000, implied recognition of the advances made by the U. S., since in both cases the bulk of the advances was for the purpose of effecting a conversion which was never carried out, and the currency advanced was legal tender at the time the advance was made.

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The result of this communication was that the Austrian Chancellor informed the Soviet authorities that the Austrian Government was not able to assent to repayment of the S. 400,000,000 without direction to that effect from the Allied Council.

DISTRIBUTION OF SMALL REICHSMARK NOTES

When the conversion of Reichsmarks and Allied Military Schillings into Austrian Schillings took place in December the notes of less than ten Marks or Schillings were continued as legal tender because of their relative unimportance and the physical problem involved in their simultaneous conversion. In January, the Austrian Finance Ministry requested approval for the conversion of Reichsbank and Rentenbank notes of these small denominations as soon as possible into Allied Military Schillings in order to prevent the flow of such currency into Austria from beyond its frontiers. Adequate stocks of small denomination Allied Military Schillings were available for this purpose. The progress of printing Austrian Schilling notes of small denominations indicated that it would be several months before a sufficient supply of them would be available. After thorough discussion the Allied Council on 11 February authorized the Austrian Finance Ministry to order the conversion starting on 20 February with the publication of a proclamation demonetizing the German notes as of that date and permitting their acceptance by all public paying officers and their deposit in all banks until 6 March. Up to the end of the month this conversion was proceeding smoothly.

NEW CONTROL AGREEMENT FOR AUSTRIA

The existing agreement on control machinery for Austria was adopted by the European Advisory Commission on 4 July 1945. Article 14 of that Agreement states that after the establishment of a freely elected government, recognized by the four Powers, a new agreement on control machinery would be made. Such a government was recognized by the four Powers in December 1945 and a study of a new control agreement was ordered by the Allied Council at its meeting on 16 November 1945. The U. S. Element had made preliminary studies on this subject prior to the introduction of a British draft in the Executive Committee on 15 February. The British Element at that time requested that its draft be referred to the Quadripartite Political Division for consideration. The British Representative informed his colleagues that it was the view of His Majesty's Government that the final text of a new agreement for control machinery in Austria should be drawn up in Vienna and that His Majesty's Government had been asked to approach the other Governments re-

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presented on the Allied Council with the request that their representatives in Vienna should have full authority to represent them in this matter.

TREATMENT OF AUSTRIA AS AN ECONOMIC ENTITY

No action was taken during the month of February to implement the decision of the Allied Council on 22 January authorizing the Central Austrian Government to utilize available surplus goods and services for movement within Austria or for export transactions as that Government may deem necessary, subject to any regulation prescribed by the respective zone Commanders in Chief and decisions of the Allied Council, except that the U. S. Economic Division prepared suggested regulations applicable to all zones and drew up a list of surplus commodities available in the U. S. Zone.

FIRST DANUBE STEAMSHIP COMPANY

In a letter dated 4 February 1946 the Austrian Minister for Foreign Affairs informed the Allied Council that on 2 February a Soviet delegation had appeared at the office of the First Danube Steamship Company and stated that the company was taken into Soviet ownership and that the employees would hereafter take orders only from a Soviet representative. The letter further stated that the First Danube Steamship Company was an Austrian undertaking which could look back upon a century's establishment and was built up entirely by Austrian enterprise. Bearing in mind the request of the Austrian Government to the Allied Council that a settlement be reached with regard to the disposition and management of property forcibly transferred from Austrian hands to German possession during the German occupation, the Austrian Federal Government urgently asked that instructions be given as to how the Austrian Administration could proceed in this case. It pointed out in this connection that failing a speedy clarification of the legal position, there must inevitably follow the complete "disappropriation" of Austrian economic enterprises. The Allied Council was, therefore, requested to settle this question as soon as possible.

The matter was raised in the Allied Council meeting on 11 February by the British member. The U. S., British and French members felt that this company was an asset of doubtful ownership, located in more than one zone and, therefore, should be considered in accordance with the Allied Council action of 10 January 1946 specifying that such assets would be the subject of discussion in the Allied Council. The U. S. member further stated that his Government did not consider this company a

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German asset and that seizure by the Soviets was a violation of the prior agreement in the Allied Council.

The Soviet member stated that his actions were taken in accordance with instructions from his Government which were based on the decisions of the Berlin Conference. The Soviet member also complained that the U. S. Representative had interfered with the Soviet command by writing a letter about this company to stop a legal action of the Soviet command. Following these statements the U. S., British and French members announced that they would notify their respective Governments of the Soviet position.

USE OF AUSTRIAN LAND IN THE SOVIET ZONE FOR RED ARMY SUPPLY PURPOSES

At the Allied Council meeting on 25 February the British member, as chairman, stated he had received a report that the Soviet Element had requested the Austrian Government to lease substantial areas of farm land in the Soviet Zone to the Red Army for the purpose of producing food. He stated that if this were true it would be contrary to the intent of the Allied Council Agreement on 17 September 1945 with respect to the long-term food supply for Austria.

The Soviet member replied that there are about 40,000 hectares of idle agricultural land in the Soviet Zone. It was the Soviet plan to utilize some 27,000 hectares of this area to produce vegetables for the Red Army in accordance with the Soviet practice of doing such farming near their troops throughout the war. He also stated that there was no intention to install a system of collective farms in Austria nor to take bread from Austria but to produce something on waste (fallow) ground. The British, French and U. S. members took the position that one of our most urgent tasks is to import UNRRA implements and seeds in order to permit as much Austrian land as possible to be cultivated and thereby reduce the burden on UNRRA. If a large amount of ground were removed from use by the Austrian people, it would mean that UNRRA must increase its imports indirectly for the benefit of the Red Army.

THE DENAZIFICATION OF AUSTRIAN GOVERNMENT AND ECONOMIC MACHINERY

During the month the Allied Council clarified the procedure for supervision of the activities of the Austrian Government in the denazification of its governmental and economic machinery. The Ministerial Committee appointed by Chancellor Figl completed its review of all Austrian officials in the

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three highest grades of the civil service in the Central Government. The process of investigating officials in the other grades in each Ministry was begun. Preliminary reports indicate that the progress was slow and in some cases apparently unsatisfactory, but since the period for completion of the task had been fixed by the Allied Council to end on 1 March, judgment must be withheld until the report of the Austrian Government is received and analyzed.

Trade Agreements

At its meeting on 11 February, the Allied Council approved Austrian trade agreements with Czechoslovakia and Italy. These international agreements cover the method by which barter transactions may be handled by these countries over an extended period. It is hoped that they will result in gradual resumption of more normal exchanges of commodities with mutual benefit to all concerned.

AUSTRIAN REPRESENTATION ABROAD

In order to permit the Austrian Government to protect Austrian interests and Austrian nationals and to take certain steps in connection with the reestablishment of trade, especially with neighboring countries other than Germany, the Allied Council approved, on 25 February, a request from the Austrian Government to establish representation abroad. The approval specified that these representatives should be political, not diplomatic, and that each exchange would be approved by the Allied Council on the basis of written application, both from the Austrian Government and the other Governments concerned. Political representatives accredited to the Austrian Government should have the right of direct communication with the Allied Council. Members of such political missions would enjoy the same privileges and immunities as military missions and have the customary facilities for communicating with their Governments, but no country should be represented in Austria at the same time by both a political and military mission.

FOOD SUPPLY SITUATION

Prospects of the food supply situation for Austria deteriorated rapidly and seriously. The first indication was the announcement by the French that their Government had requested an immediate reduction of twenty five per cent in the bread ration. The matter came up at the Allied Council meeting on 11 February when the French member cited President Truman's announcement of the world wide shortage in cereals. He also

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cited the British Government's statement of the reduction proposed for the United Kingdom. He called attention to the fact that UNRRA shipments would be unavailable for February and limited to approximately 23,000 tons for March. He frankly admitted the inability of the French to meet their commitments for Vienna and stated that they had already reduced the average ration in Tyrol and Vorarlberg to approximately 1150 calories per day. He urged the pooling of all available reserves in Austria, including military stocks, in order to meet the grave situation and also urged that all persons receiving more than the normal consumer ration in Vienna should have their cases reviewed in order to eliminate abuse of these special categories.

The Soviet member stated that it was not logical for the bread ration in France to be three hundred grams while the Austrians received four hundred, and expressed himself in favor of a reduction in the bread ration effective 1 March such as issuing new food cards, but stated he was ready to meet his commitment until UNRRA help began. The U. S. representative pointed out that his instructions were to maintain the Austrian ration at least on a level with that in Germany and while it might become necessary to reduce the ration he would be unwilling to do so until he knew what the German ration would be. The British Representative stated he realized the world food situation would compel a reduction but in order to keep the Austrian ration at least on a level with the German he advocated postponing action until the next Allied Council meeting. The matter was referred to the Economic Directorate for further study.

In the Allied Council meeting of 25 February the subject was thoroughly discussed again. Complete information with regard to the German ration scales was not available but it was known that in Berlin there had been an increase from 1225 to 1504 calories as of 1 January for a period of three months, but that because of the world situation it might be reduced on 1 April if not sooner.

The U. S. representative pointed out that world conditions would affect Berlin as well as Vienna and while the ration scale in Vienna called for 1550 calories it had actually been 1329 the previous week and only 1217 for the then current week due to the fact that some elements had not met their commitments. The U. S. Element had been meeting its contributions and was prepared to do so through the winter. He asked for a statement from each Commander as to whether all Commanders could meet the commitments if the ration was reduced. The Soviet member stated he could meet his commitments. The British representative stated that he could meet his commitments until the end of March but that the position for April was precarious. The French Representative stated that his situation depended primarily upon the result of negotiations for 80,000 tons of wheat from the Americans to supply the French zones in Germany and Austria and that he expected other supplies such as salt and fish from France and butter and cheese from the French Zone to supply Vienna. If he got a reasonable

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allocation from the 80,000 tons he would be able to repay loans made by the U. S. Element in February, fulfill his March obligations and have some left over for April. After further discussion it became apparent that the French could not make a definite commitment to meet their obligations even under a reduced ration scale and it was, therefore, agreed to make no reduction in the normal scale of 1550 for the normal consumer until the end of March.

UNRRA

Considerable progress was made in the complicated task of developing agreed methods for receipt and distribution of UNRRA aid.

In accordance with an earlier decision of the Allied Council the Austrian Government had been directed to work out an agreement with UNRRA under the supervision of the Allied Commission, and the Austrian Government had been instructed to furnish the Allied Council with a statement of the aid it would need from the occupation Forces to carry out such an agreement.

On 11 February, the Chief of the UNRRA Austrian Mission sent to the Federal Chancellor a draft agreement between the Government of Austria and UNRRA providing for relief and rehabilitation assistance to Austria. This draft was not complete in that the articles concerning supplies and services and displaced persons had not yet been prepared because certain points had not been cleared by the Allied Council and UNRRA. The matter was referred by the Executive Committee to the Economic Directorate.

The question of the aid which the Government would require to implement the UNRRA program was discussed in the Executive Committee and referred to a special committee composed of the Chiefs of Staff of the four Elements. This was necessary because in accordance with UNRRA methods, the responsibility of that organization ceases upon delivery at a port. Since Austria was in no position to provide necessary security for shipments from the ports into Austria and would need the assistance of the Allied Council not only for the transportation from the port into the country but also for distribution and transportation within Austria, a plan to provide such assistance was developed. A letter from the Secretary of the UNRRA Mission to Austria dated 21 February embodying this plan was under study by the Economic Directorate and the Quadripartite Transport Division at the end of the month.

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AUSTRIAN GOVERNMENTAL ORGANIZATION

The Austrian Governmental organization was continued without important change. It functioned reasonably well under the existing conditions. No really serious complaints were received but it was obvious that there was a shortage of experienced personnel and that by and large the ministries and other government offices were handicapped by lack of office equipment and transportation. All employees suffered more or less from the inadequacy of rations and this inevitably was reflected in their work. It was reliably reported that in some offices there were no typewriter ribbons and in some cases the shortage of typewriter machines was so great that clerks stood in line waiting for the opportunity to use them. Some of the delay in the trial of judicial cases was due to the inadequate means of transporting witnesses to the court rooms, especially when they live outside of the city limits.

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On February 25, 1946, the Allied Council, acting upon a request of the Austrian Government that it be permitted to send Representatives to neighboring countries other than Germany, decided that the Austrian Government should be permitted to exchange Political, but not Diplomatic, Representatives with all other countries except Germany and Japan, provided that the countries concerned had recognized the Austrian Republic and the Austrian Government. The Council further decided that no country should be represented in Austria at the same time by both a Political and a Military Mission.

ACTIVITIES OF AUSTRIAN POLITICAL PARTIES

The Allied Council at its meeting of February 25, 1946 took action to withhold approval for political parties advocating the restoration of the monarchy in Austria.

At the same time, consideration was given to the applications of a number of other groups to form political parties. The Council resolved that it should be left to the Austrian Government to decide, in accordance with Austrian law, whether such groups should remain in existence as associations, since they would not appear to command sufficient backing to justify their recognition as political parties. The Austrian Government is required to inform the appropriate Allied authorities of their decision in each case in order that it may be reviewed and necessary recommendations made to the Executive Committee.

SUSPENSION OF AUSTRIAN NEWSPAPER

The Allied Council reminded the Austrian periodic press of conditions under which the Allied Council reestablished freedom of the press in Austria by its decision of 1 October 1945.

In its edition of February 7, 1946, the "Linzer Tagblatt" published an article strongly pan-German in tone, and as a result was suspended, pending further notice, and the editor dismissed.

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INTERNAL AFFAIRS DIVISION

SYNOPSIS

The record for the month of February was one of steady progress in the work of all Branches of the Division.

PUBLIC SAFETY

There was a slight increase in crime during the month, attributable to the greater readiness of the people to report disturbances. Displaced persons continued to cause some trouble and there was an increase in petty crimes by military personnel.

Rehabilitation of the professional fire brigades in both urban and rural districts continued. Additional vehicles and apparatus were obtained and additional personnel recruited.

There were only slight increases in prison population and the number of cases awaiting trial was substantially decreased. Progress was made in obtaining additional prison space in order to relieve congestion, and in expediting the handling of minor criminal offenses.

Denazification made further progress. The Austrian laws on denazification were not fully applied, however, owing to the inadequacy of the Austrian administrative services. New registrations required under the Austrian laws were inaugurated. The Allied Denazification Bureau continued its supervision of the denazification of Austrian State and economic machinery.

The Ministerial Committee on Denazification appointed by the Federal Chancellor (Ing. Figl) also made progress in denazification among civil officials of the first three grades.

ECCLESIASTICAL AFFAIRS

Activities in ecclesiastical affairs consisted primarily of assisting needy individuals or of facilitating the activities and movements of groups. Materials were obtained for temporary repairs to church properties damaged in the severe windstorms. Paper for religious publications could not be obtained.

ADMINISTRATION AND LOCAL GOVERNMENT

The investigation of alleged frauds committed during the November 1945 election progressed. The trend toward increase of Austrian responsibility and commensurate decrease of Military Government responsibility in the operation of local government continued. Investigation continued into the adequacy of the training facilities available for civil service personnel of all categories.

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ECONOMICS DIVISION AGRICULTURE & FORESTRY

Shipments of fuelwood to Vienna were 44,180 raummeters making a total of date of 171,560 raummeters of wood received in Vienna from the U.S.Zone.

Forest Production

The Austrian Ministry of Agriculture submitted to the Quadripartite Committee for Agriculture and Forestry a report showing the present status, past and present production capacity, and future government policy towards the forest industry.

The Ministry also submitted a report on fisheries, reviewing past and present productivity. The Quadripartite Committee requested from the Minister of Agriculture and Forestry a statement as to basic requirements for increasing fish production as a supplement to food supplies.

INDUSTRY

METALLURGICAL INDUSTRIES

Ferrous Metal Industries

A special committee studied the advisability of extending a 5,000,000 Schilling loan to the United Iron and Steel Works of Austria at Linz. Findings and recommendations were:

1. Continued operation of the plant is essential both as a military necessity and for Austrian economy and reconstruction.
2. The management must be removed and replaced by persons responsible to Military Government for the operation of the plant at its present level of output.
3. Indirect or non-productive employment used in the maintenance of machinery, equipment, buildings, etc. must be cut to a minimum.
4. Qualified accountants must submit monthly accounts and reports directly to Military Government.
5. No payment shall be made on accounts payable for transactions consummated prior to 8 May 1945.

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The releasing of cash accounts which were tentatively frozen should enable the plant to meet its wages and financial obligations until 20 March 1946.

The plan submitted by the committee envisaged this firm as a separate completely Austrian firm, which during the reconstruction period must be aided in order to continue operation.

An exchange of 2,000 tons of pig iron for 1170 tons of profile steel was begun between the United Iron and Steel Works, Linz, and the Alpine Montan, Donawitz, Styria. Profile steel is used on priority contracts for agricultural machinery and locomotive repairs at the Linz plant.

The plant at Linz made 500 tons of pig iron available for the foundry and metal industries of Vienna. This material was considered sufficient for the first quarter of 1946 and was issued on a priority basis by the Chamber of Industries, Vienna.

There is no available supply of carbon electrodes in Austria, and since stocks are exhausted, negotiations were started to obtain these from Germany for the electric steel furnaces at Linz. At least 50 tons a month are required for electro steel production.

MACHINERY AND EQUIPMENT INDUSTRIESAutomotive Industry

The firm of Steyr-Daimler-Puch A.G. rebuilt more captured enemy vehicles. Production was concentrated on trucks of Opel make.

Since the rebuilding program started in October 1945, a total of 619 vehicles have been processed. Of these 269 were made available to Austrian industries, 40 more are complete and ready for allocation, and 310 are complete, except for glass.

A special committee prepared plans for turning over the Steyr-Daimler-Puch A.G. to civilian management, under the supervision of an administrator appointed by U.S. authorities. These plans provided for the continuance of the present rebuilding program as well as for production of new trucks and agricultural tractors.

The firm of Graef and Stift, Vienna, submitted applications to the ACA for the release of CEM machine tools needed for retooling plant. They propose to produce a heavy truck of about five ton capacity. The past record of this firm in production of heavy trucks, busses and special purpose vehic-

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INDUSTRY

All Figures in Metric Tons.

	News Print	Book and Writing	Packing Paper	Others	Mill. Prod.	Hand Skinned Board
Feuerstein	-	-	-	Cigarette 51	51	-
Lenzing	-	210	170	Wadding 60	440	-
Nettingsdorf	500	-	-	-	500	-
Steyrmuehle	350	664	217	-	1231	-
Schuppler	150	97	23	-	270	-
Rittmuehle	-	-	-	Special & Wadding 64	64	-
Welser	Idle	-	-	-	Idle	-
Kellner Partington	Idle	-	-	-	Idle	-
Dietz	-	-	-	-	-	50
Haunoldmuehle	-	-	-	-	-	160
	1000	971	410	175	2556	210

Events of Interest Outside the U.S. Zone

In the French Zone the largest cigarette paper plant in Austria operated at about 85 tons per month. Two white board plants also operated.

The mill at St. Pölten in the Soviet Zone started operations, but the mill at Hamburger did not because of lack of belts.

A group of 6 mills in Land Lower Austria, called the Neusiedler Papierfabriken, operated only when they had the coal.

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ECONOMICS DIVISION

INDUSTRY

Leather Industry

The situation in the leather industry in the U.S. Zone was unchanged. The fuel situation slightly improved, but the stocks of tanning materials were practically exhausted. Action was taken to bring stocks of tanning materials from Germany to Austria. These materials had been previously bought and paid for by Austrian tanneries.

FUELS & MINING

POL FOR VIENNA

A quadripartite liquid fuel plan for the supply and distribution of gasoline in Vienna went into operation 1 February. This plan assures Vienna of a minimum quantity of gasoline and allied products necessary for police, fire, ambulance and utilities services.

Under the plan each of the Occupying Powers is to supply one quarter of the City's minimum gasoline requirements, estimated at 1,500 tons (535,500 gallons) monthly and a corresponding amount of supplementary motor oils and greases. Although the French agreed, they supplied only 50 tons of their allotted 375 tons of gasoline, and the British failed to supply any of their share of motor oils and greases.

The Soviet Element agreed to supply the total Diesel and Kerosene requirements of Vienna.

POL CONTRIBUTIONS TO LIQUID-FUEL-PLAN VIENNA, FEBRUARY 1946:

	Gasoline		Lubricants
US	375 Tons	133,875 Gals	18.75 Tons
British	375 "	133,875 "	none
Soviet	240 "	85,680 "	12.00 "
French	50 "	17,850 "	2.50 "

Arrangements were completed under this liquid fuel plan to permit private individuals, for the first time since occupation, to purchase rationed gasoline at filling station pumps in Vienna.

POL ANALYSIS OF U.S. ZONE (AUSTRIA) FOR FEBRUARY 1946

ECONOMICS DIVISION
FUELS & MINING

Product	Unit	Stocks on hand 1 Feb 1946	Requirement	Allocation	Receipts	Consumption
Gasoline	Gallons	713,000	620,220	620,220	672,822	572,631
Kerosene	"	28,318	121,500	none	none	23,761
Diesel Oil	"	816,279	508,300	481,900	405,713	492,205
Motor Oil	"	70,819	38,600	39,600	38,655	33,737
Greases	Pounds	11,616	17,975	17,312	6,050	13,368

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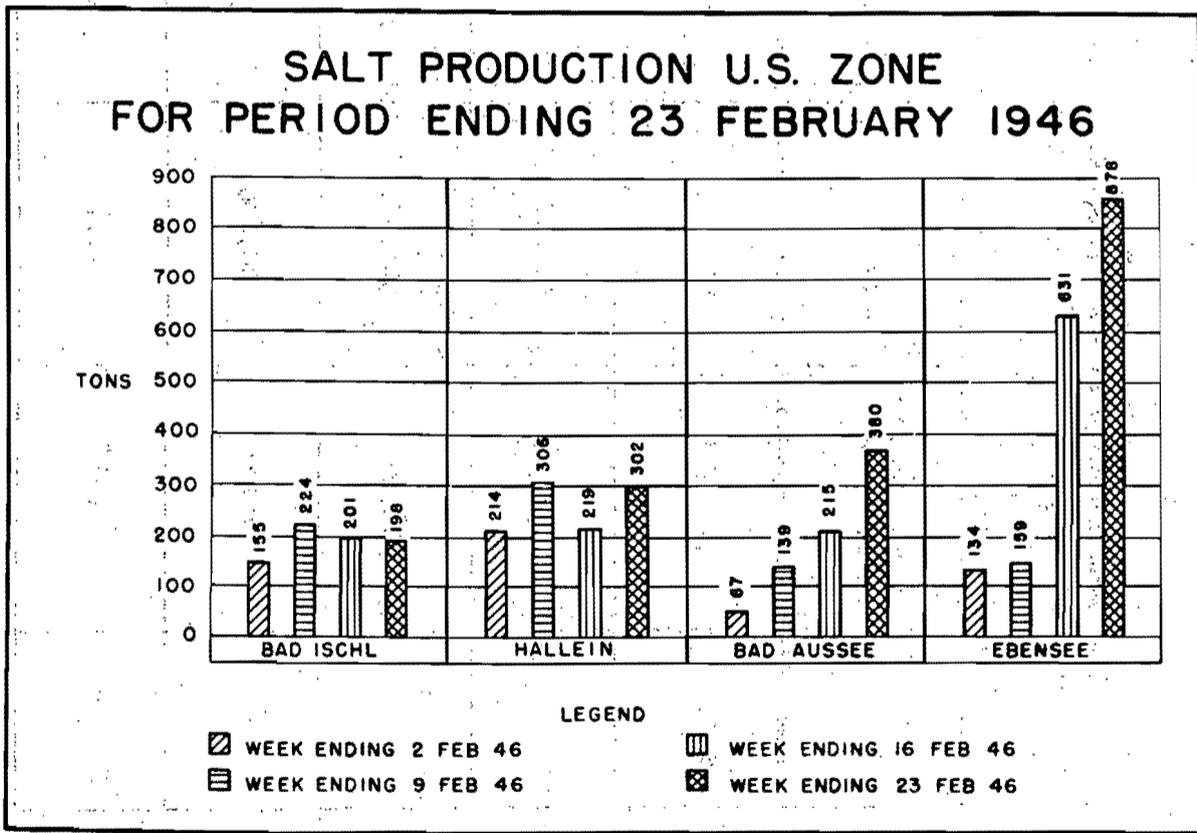
ECONOMICS DIVISION

FUELS & MINING

MINING AND METALLURGY

Salt.

Salt production in the U.S. Zone decreased from 5,228 tons in January to 4,948 tons in February. The Ebensee plant, in the first half of February, had a decreased production of approximately 400 %. Production returned to normal in the last two weeks of the month. Production at the Bad Aussee plant decreased about 300 % during the first week of February, but continually increased during the last three weeks. The sharp decline in both Ebensee and Bad Aussee in the early part of the month was caused by the acute shortage of coal. Salt production at Bad Ischl and Hallein remained normal.



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FUELS & MINING

Salt production at Hall, Tirol, in the French Zone, was 579 tons for January 1946 as compared to 484 tons for December, 1945. Stocks on hand as of 31 January 1946 were 1,046 tons as compared to 974 tons on 31 December 1945.

Accident Statistics of Austrian Mines

Following is a table comparing accident statistics of Austrian Mines in December 1945 and January 1946:

Month	Accidents			Production in Tons of Raw Output	Percentage of Accidents per Ton of Output
	Deadly	Serious*	Light		
December 1945	4	118	429	263,063	0.16
January 1946	2	81	228	260,225	0.085

* Unfit for at least 20 days.

Accidents to miners decreased almost 50%, as a result of enforcing the Austrian Mining Department's mine safety and police laws.

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Authority NND 735027By JW NARA Date 6-26RG 153Entry 135File I-4-330Box 51

DISPLACED PERSONS DIVISION

SYNOPSIS

Policy

The question of turning over to the Austrian government by 1 July the responsibility for all Displaced Persons except for certain persecuted minorities was examined. This is in line with similar action proposed in the U.S. Zone, Germany.

Status

Displaced Persons remaining in the U.S. occupied areas of Austria on 28 February numbered 201,127. Total number of Disarmed Enemy Forces remaining in the areas on 28 February was 21,099.

Repatriation

Displaced Persons repatriated in February totaled 7,325 and consisted of 3,151 Germans, 3,018 Sudetens and 1,156 others. Disarmed Enemy Forces repatriated to the U.S. Zone numbered 12,219 while 14,180 were transferred either to other Zones in Austria or other European countries. A total of 6,057 Disarmed Enemy Forces were discharged within the U.S. Zone.

CURRENT STATUS

Displaced Persons

Displaced Persons remaining in the U.S. occupied areas of Austria total 201,127. Of these, 37,626 are in Land Salzburg, 155,825 are in Land Upper Austria and 7,676 in the U.S. Vienna Area.

The above figures represent a net increase of 401 persons during the month. Repatriations totaled 7,325 during the month, and 7,726 additional Displaced Persons were uncovered during the period. Principal nationalities uncovered were 4,519 Germans and 3,630 Volksdeutsche. Increases of 1,198 Polish and 1,153 Yugoslavs occurred due to screening processes which reduced the totals in White Russian and Stateless categories by a similar number. The Baltic nationalities are being screened to determine specific national origins, thus giving increases in Esthonians, Latvians and Lithuanians with a corresponding decrease in the general "Baltic" group.

UNRRA increased the number of camps under its full administration in the U.S. Zone, Austria to twenty-one, and UNRRA personnel operate in six others with military assistance. The Tracing Bureau in UNRRA U.S. Zone Office, which started operation on 9 January, is now working with