

DECLASSIFIED
 Authority NND 735027
 By JW NARA Date 6-26

RG 153
 Entry 135
 File I-4-330
 Box 51

DISPLACED PERSONS DIVISIONCURRENT STATUS

Military Government Tracing and Information Service in Upper Austria and plans to absorb the work of that office as personnel becomes available. Arrangements were made with the Salzburg Civilian Radio Station to include from one to twelve names with each news broadcast, as a part of the tracing service, beginning 23 February.

The American Red Cross distributed 82,371 food parcels to Displaced Persons in camps and 46,367 to those out of camps. An expansion in the program to deliver food parcels to out-of-camp Displaced Persons is projected for March. In Land Upper Austria 22,068 items of ARC clothing were distributed to out-of-camp Displaced Persons, as well as an estimated 4,000 items to Displaced Persons in camps. In addition, a substantial distribution of cigarettes, chocolate and chewing gum was made to Recovered Allied Military Personnel at Markt Pongau. The Allied Displaced Persons Hospital in Salzburg received 1,100,000 units of penicillin and substantial quantities of coffee, banana flake and corned beef.

REPATRIATIONREPATRIATION

Organized repatriations from the U.S. Zone, Austria from 10 May 1945 to 28 February 1946 total 482,459 Displaced Persons of all nationalities, or 70.6 percent of the total number of Displaced Persons uncovered during the period.

February Displaced Persons repatriations numbered 7,325 and were thus on par with the two preceding winter months. Chief traffic was in Germans (3,151) and Sudetens (3,018). Considerable difficulty was again encountered with the movements of Displaced Persons trains through the Soviet Zone to Hungary, as the Russians were slow in keeping trains moving as well as in returning rolling stock.

Of the 51,144 United Nations Displaced Persons remaining, approximately 8,000 are in persecuted categories. It is expected that 2,000 others can be eliminated by careful screening now in progress. Of the 41,000 others, it is believed 35,000 will remain unrepatriable even if U.S. care and maintenance are discontinued.

The Sudeten movement withered because of the great number of exemptions granted these people by the Burgermeisters and other local Austrian officials. Most of these exemptions have not yet been reviewed and approved by Military Government boards.

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DISPLACED PERSONS DIV. DISARMED ENEMY FORCESDISARMED ENEMY FORCESCURRENT STATUS

Disarmed Enemy Forces remaining in the U.S. Zone, Austria on 28 February totaled 21,099. Of these, 10,828 were in Land Upper Austria, 4,358 in Land Salzburg and 5,913 were in hospitals.

REPATRIATIONREPATRIATION

The following numbers were moved into the U.S. Zone during the period 1 February to 28 February 1946:

From USFET-TSFET	9,973
British Zone Germany	691
British Zone Austria	122
French Zone Austria	<u>1,433</u>
TOTAL	12,219

The following were repatriated or transferred from the U.S. Zone, Austria during the period 1 February to 28 February 1946:

To Russian Zone Austria	7,874
To French Zone Austria	425
To Vienna	5,873
To Germany	<u>8</u>
TOTAL	14,180

The following totals of Austrian Disarmed Enemy Forces resident in the U.S. Zone, Austria remain to be repatriated:

From British Zone Germany	14,000
" France	6,000 (estimated)
" U.S. Controlled Italy	1,624
" British Controlled Italy	1,900
" Middle East	1,261
" Canada	162
" United Kingdom	2,478
" United States	2,871
" Russia and East	20,000 (estimated)
" Norway	<u>250</u>
TOTAL	50,546

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51**DISPLACED PERSONS DIVISION****REPATRIATION**

The movement of Disarmed Enemy Forces resident in the U.S. Zone from TSFET was completed and, at the month's close the movement to Austria of Disarmed Enemy Forces held in the British Zone, Germany had commenced.

A change in policy was the reclassification of all Czechoslovak and Sudeten Disarmed Enemy Forces as ex-enemy Displaced Persons. Instructions were issued to discharge prior to 15 March all Disarmed Enemy Forces medical personnel except SS and Waffen SS with the provision that they may be employed as civilians if needed. The discharge was also directed of all hospitalized wounded requiring more than 90 days treatment from 1 March, except for those in the SS and Waffen SS categories. Small-scale exchanges of Austrians and Germans between the U.S. Zones, Austria and Germany, have continued.

A total of 6,057 Austrian Disarmed Enemy Forces resident in the U.S. Zone were discharged.

CURRENT STATUS OF DISPLACED PERSONS
US ZONE, AUSTRIA
28 FEBRUARY 1946

NATIONALITY	REQUIRING REPATRIATION	REPATRIATED TO 31 JAN	REPATRIATED 1 FEB-28 FEB	TOTAL REPATRIATED TO DATE 28 FEB	PROBABLE NON- REPATRIABLES	TOTAL REPATRIATED AND ON HAND	PERCENT REPATRIATED
WESTERN							
EUROPEANS	611	41,337	37	41,374	0	41,985	98.4
BALTIC STATES	2,456	24	0	24	1,800	2,480	1.0
SOVIET	0	69,496	0	69,496	0	69,496	100.0
WHITE RUSSIAN	7,901	0	0	0	6,800	7,901	0.0
POLISH	13,572	41,999	20	42,019	8,000	55,591	75.6
YUGOSLAV	12,478	15,667	0	15,667	7,000	28,145	55.7
CZECHOSLOVAK	2,291	13,212	460	13,672	1,400	15,963	85.8
ITALIAN	157	43,390	0	43,390	0	43,547	99.7
GREEK	240	2,489	0	2,489	0	2,729	91.2
JEWISH	6,121	0	0	0	0	6,121	0.0
SUDETEN	12,549	1,861	3,018	4,879	0	17,428	27.8
VOLKSDEUTSCHE	113,196	1,817	282	2,099	0	115,295	1.9
GERMAN	13,732	161,253	3,151	164,404	0	178,136	92.3
RUMANIAN	1,972	2,782	220	3,002	1,000	4,974	60.4
BULGARIAN	144	284	0	284	0	428	66.3
HUNGARIAN	8,390	78,594	137	78,731	7,000	87,121	90.4
OTHERS	584	929	0	929	0	1,513	61.4
STATELESS	4,733	0	0	0	4,000	4,733	0.0
TOTAL	201,127	475,134	7,325	482,459	37,000	683,586	70.6

DISPLACED PERSONS DIVISION

STATUS

FEBRUARY 1946

339618

REPRODUCED AT THE NATIONAL ARCHIVES

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By: *JAD* NARA Date: *6-26*

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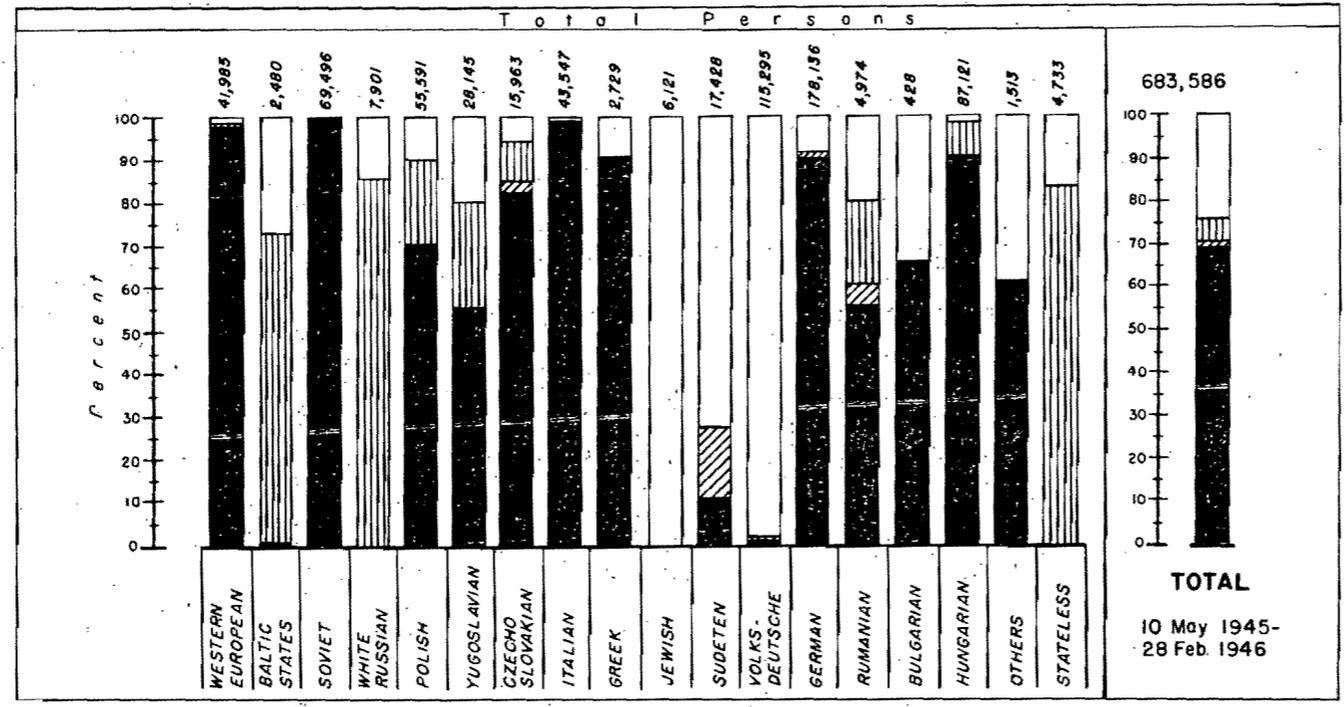
DISPLACED PERSONS DIVISION STATUS

PERCENTAGE CHART

STATUS OF DISPLACED PERSONS

U. S. ZONE, AUSTRIA

Requiring Repatriation
 Probable Non-Repatriables
 Repatriated 1-28 Feb. 1946
 Repatriated to 31 Jan. 1946



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DISPLACED PERSONS DIVISION STATUS

CURRENT STATUS
 DISPLACED PERSONS

NATIONALITY	NUMBER IN ZONE 31 JAN 1946				NUMBER IN ZONE 28 FEB 1946				CHANGE	
	LAND SALZBURG	UPPER AUSTRIA	VAC	TOTAL	LAND SALZBURG	UPPER AUSTRIA	VAC	TOTAL	GAIN	LOSS
ALBANIANS	20	0	0	20	1	0	0	1	0	19
ARGENTINIANS	0	0	48	48	0	0	52	52	4	0
ARMENIANS	0	0	0	0	2	0	0	2	2	0
BALTIKS	1224	1215	4	2443	435	0	4	439	0	2004*
BOLIVIANS	0	0	8	8	0	0	8	8	0	0
BRAZILIANS	6	0	99	105	0	0	112	112	7	0
CHILEANS	0	0	30	30	0	0	37	37	7	0
COLUMBIANS	0	0	2	2	0	0	2	2	0	0
COSTA RICANS	0	0	6	6	0	0	6	6	0	0
CUBANS	0	0	2	2	0	0	2	2	0	0
CZECHS	417	1743	130	2290	424	1737	130	2291	1	0
DANES	2	0	15	17	0	0	15	15	0	2
DANZIGERS	2	0	0	2	0	0	0	0	0	2
ECUADORIANS	0	0	24	24	0	0	24	24	0	0
ENGLISH	0	0	0	0	0	0	0	0	0	7
ESTHONIANS	7	0	0	7	113	234	0	347	347	0*
FINNS	1	0	0	1	0	0	0	0	0	1
GREEKS	2	233	0	235	4	236	0	240	5	0
GUATEMALANS	0	0	3	3	0	0	3	3	0	0
ICELANDERS	0	0	1	1	0	0	0	0	0	1
ITALIANS	132	0	19	151	138	0	19	157	6	0
JEWS	1873	3186	1041	6100	1939	3379	803	6121	21	0
LATVIANS	0	0	0	0	447	418	0	865	865	0*
LITHUANIANS	0	0	0	0	274	531	0	805	805	*
LUXEMBOURGERS	5	0	0	5	1	0	0	1	0	4
MEXICANS	0	0	2	2	0	0	2	2	0	0
NORWEGIANS	7	0	9	16	0	0	9	9	0	7
PANAMANIANS	0	0	1	1	0	0	1	1	0	0
PARAGUANIANS	0	0	14	14	0	0	14	14	0	0
PERUVIANS	0	0	5	5	0	0	5	5	0	0
POLES	3032	9068	274	12374	5494	7804	274	13572	1198	0
SAN DOMINICANS	0	0	2	2	0	0	2	2	0	0
SAN SALVADORIANS	0	0	2	2	0	0	2	2	0	0
STATELESS	577	3891	508	4976	618	3607	508	4733	0	243
SWEDES	2	0	11	13	0	0	0	0	0	13
SWISS	17	0	0	17	1	0	0	1	0	16
TURKS	90	0	0	90	67	0	0	67	0	23
SOVIET RUSSIANS	0	0	0	0	6	0	0	6	6	0
URUGUAINS	0	0	8	8	0	0	8	8	0	0
UNITED STATES	24	0	53	77	5	0	69	74	0	3
VENEZUELAN	0	0	5	5	0	0	5	5	0	0
WESTERN EUROPEANS	75	592	4	671	82	525	4	611	0	60
WHITE RUSSIANS	7234	2908	0	10142	4802	3099	0	7901	0	2241
YUGOSLAVS	3033	7977	315	11325	2963	9200	315	12478	1153	0
OTHERS	56	0	0	56	120	0	0	120	64	0
TOTAL UNITED NATIONS	17838	30813	2645	51296	17936	30770	2438	51144	4494	4646
BULGARIANS	11	130	1	142	9	134	1	144	2	0
GERMANS	4620	7469	275	12364	4684	8773	275	13732	1368	0
HUNGARIANS	1047	8061	72	9180	1049	7269	72	8390	0	790
RUMANIANS	481	1324	99	1904	467	1406	99	1972	68	0
SUDETENS	0	10511	5481	15992	0	10234	2315	12549	0	3443
VOLKSDEUTSCHE	13313	94059	2476	109848	13481	97239	2476	113196	3348	0
TOTAL EX-ENEMY	19472	121554	8408	149430	19690	125055	5238	149983	4786	4233
GRAND TOTAL	37310	152367	11049	200726	37626	155825	7676	201127	9280	8879
Balance 1 March 1946:				201127						
Net gain - 1 Feb. to 1 March:							401			

* Now shown under Latvians, Lithuanians and Estonians

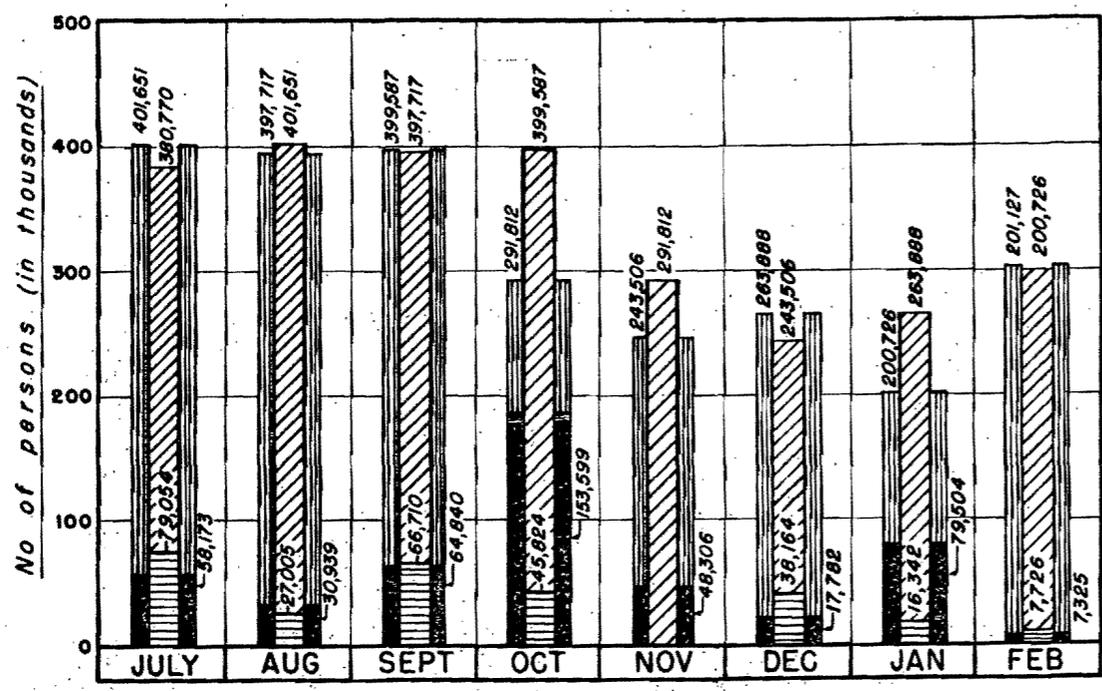
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 By: **JZO** NARA Date: **6-26**

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DISPLACED PERSONS DIVISION

STATUS

MONTHLY PROGRESS DISPLACED PERSONS STATUS U. S. ZONE, AUSTRIA



JULY 1945-FEB. 1946

LEGEND

No of D. P's on hand beginning of month

Remainder to be repatriated at end of month

New D. P's uncovered during month

Repatriated during month

*Note: Figures include United Nations & Ex-Enemy D. P's and Austrian Refugees.
 69,261 Austrian refugees dropped during January in addition to 10,243 D. P's shipped.*

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51**DISPLACED PERSONS DIVISION****STATUS**

STATUS
DISARMED ENEMY FORCES
AS OF 28 FEBRUARY 1946

<u>NATIONALITY</u>	<u>SALZBURG</u>	<u>UPPER AUSTRIA</u>	<u>TOTAL</u>
ALBANIANS	0	0	0
ARGENTINIANS	0	1	1
AUSTRIANS	1552	5063	6615
BELGIANS	0	3	3
BULGARIANS	0	2	2
CANADIANS	1	0	1
CZECHS	335	2197	2532
DANES	12	131	143
DANZIGERS	0	12	12
DUTCH	3	12	15
ESTONIANS	6	28	34
FINNS	0	1	1
FRENCH	1	0	1
GERMANS	200	1199	1399
HUNGARIANS	69	367	436
ITALIANS	7	46	53
LATVIANS	7	73	80
LITHUANIANS	20	98	118
LUXEMBOURGERS	1	3	4
NORWEGIANS	0	13	13
POLES	64	298	362
ROUMANIANS	276	1693	1969
RUSSIANS	67	963	1030
SUDETENS	62	403	465
SWEDES	0	2	2
SWISS AND LICHTENSTEINS	3	6	9
TURKS	2	0	2
USA CITIZENS	0	1	1
VOLKSDEUTSCHE	0	102	102
YUGOSLAVS	384	2047	2431
STATELESS & UNKNOWN	762	796	1558
SECURITY SUSPECTS	1705	0	1705
LABOR SERVICE UNITS	0	0	0
TOTALS	5539	15560	21099

Totals shown above include 5913 hospital patients and medical personnel.

Net Gain: 406

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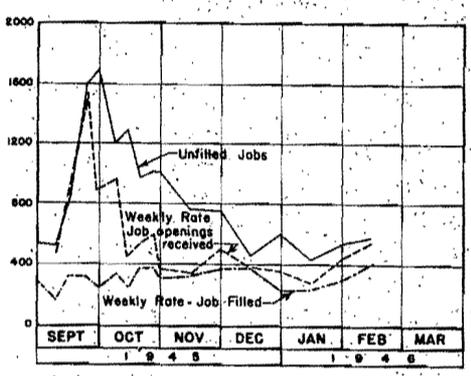
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LABOR DIVISION

MANPOWER PICTURE

There were an increasing number of job requests from U. S. military units which were not completely filled. As a result, the backlog of unfilled jobs for military units increased, but remained at a reasonable level compared with the peak of September and October, 1945.

**LABOR EXCHANGE PLACEMENT ACTIVITIES
 MILITARY EMPLOYMENT UNITS
 U.S. ZONE (EXCLUDING VIENNA)**



Source: Labor Exchange Statistics.

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FINANCE DIVISION

SYNOPSIS

The second step in the currency conversion, redemption of small denominations of RM currency and substitution therefor of Allied Military Schillings, was announced on 20 February, when small denomination RM lost their legal tender status. Black market prices of Austrian Schillings continued firm and stronger with the prices of the U.S. dollar declining from 185 Schilling per dollar at the end of January to 140 per dollar at the end of February. The U.S. Austrian Currency Section turned in an additional Sch. 90,015,000, which meant that the U.S. Forces turned back to Army Finance Officers approximately 150,000,000 Schillings more than they had received from the Finance Officers. As of the end of February, the printing program for Austrian National Schilling currency reached the total of Sch. 5,782,000,000. Changes in the fees of the Postsparkasse were approved subject to reconsideration on the basis of reports of three months operation. Arrangements were completed by the Ministry of Finance to make necessary funds available to Military Government authorities for payment of expenses incidental to the upkeep of Displaced Persons and Disarmed Enemy Forces. Preliminary information from the U.S. Zone indicates that normal government expenses will be met out of current receipts. At the third Länder Pool Conference, dealing with reinsurance, it was decided to reestablish the Länder Pool. Insurance companies' bank and cash balances in both Salzburg and Linz increased during January. The tendency for bank deposits to exceed withdrawals, which had prevailed from the time of entry of U.S. Forces into Austria, was reversed, largely as a result of the conversion. In Salzburg the excess of withdrawals for January was nearly Sch. 10,000,000 and in Linz the excess was almost Sch. 20,000,000. Procedure was established to allow withdrawals from bank accounts in the form of RM in the case of Germans being repatriated from Austria. The final accounts of Military Government postage stamps were prepared and forwarded to Washington.

CURRENCYConversion

The second of three steps necessary to complete the currency conversion operation was begun in February. The first of these steps, the withdrawal of all Reichsmarks and Allied Military Schilling currency of denominations of 10 marks or schillings and higher, was accomplished during the period 13 to 20 December 1945. The second step involved the withdrawal of small denomination Reichsmarks and Rentenbank notes still remaining in circulation after the large notes had been retired and Austrian National Schillings substituted in their place. To have delayed the retired

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51FINANCE DIVISIONCURRENCY

of the small denomination Reichsmark notes until sufficient Austrian National Schillings and new coins of appropriate denominations were available would have meant a postponement of this operation for at least several months. Actually, the Quadripartite Finance Committee began, in January, discussions of various proposals to retire the small denomination notes and substitute small denomination Allied Military Schilling currency, of which there was an ample stock. During January it was impossible to reach a Quadripartite agreement. On 1 February the Quadripartite Finance Committee reported to the Executive Committee that it had unanimously agreed upon the proposal to withdraw Reichsmarks and Rentenmark notes as soon as possible, but had been unable to agree on the means for effecting a retirement of the other notes. The urgency for the retirement of Reichsmark notes still in circulation derived from the fact that evidence indicated considerable amounts of small denomination Reichsmarks, particularly 5 mark notes, were pouring into Austria. As the small denomination notes crossed the border, they were deposited in banks. The table below shows the increase in National Bank holdings of small denomination Reichsmarks in January, at a time when the cash holdings of banks decreased:

National Bank Holdings of Small Denomination Reichsmarks

(In thousands of Reichsmarks)

<u>Date</u>	<u>Salzburg</u>	<u>Linz</u>
5 January	2.228	2.442
12 January	3.437	3.997
19 January	3.984	4.871
26 January	5.298	5.723

In spite of agreement as to the urgency of retiring small denomination Reichsmark currency, agreement could not be reached on the method for effecting this retirement. Two resolutions were sent forward to the Executive Committee, one agreed to by the British, French, and U.S. representatives, and one recommended by the Soviet. At its meeting on 5 February, the Executive Committee was unable to reconcile the different views and, therefore, forwarded the matter to the Allied Council for settlement.

Prior to the meeting of the Allied Council, in an informal conference, the U.S. and Soviet members of the Quadripartite Finance Committee arrived at a compromise solution to this problem which was concurred in by the British and French members. This agreement provided for the publication of an announcement by the Ministry of Finance to the effect that small denomination Reichsbank and Rentenmark notes would lose their legal tender value on 20 February, but that they might, until 6 March, be exchanged for new legal tender up to 20 schillings per person without question, or in any amount deposited on excess accounts or against temporary receipts. In addition, 10 notes of each of the denominations could be paid into public paying offices (primarily in payment of

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taxation and other fees). The approval of this notice was conditional upon the fact that not more than a total of 250 million schillings in small denomination currency would be allowed to be put into circulation, taking into account the fact that only 110 millions of Allied Military Schillings were considered to be in circulation. Further, the Ministry of Finance would be instructed to notify all credit institutions to report turn-ins of small denomination currency in excess of 300 Reichsmarks, so that these large holdings could be investigated to ascertain whether they had been legally acquired.

This compromise agreement was accepted by the Allied Council with minor changes, including the addition of a statement that Allied Military Schillings would be withdrawn from circulation as soon as the National currency is printed and issued. This step, retirement of Allied Military Schillings, will constitute the third and final part of the conversion operation.

The publication of this notice excited but little comment and was accepted as a routine operation. During February it progressed with no difficulty whatever and the retirement of the remaining German-issued currency in Austria proceeded smoothly. By this operation, the Austrian monetary system was completely divorced from the German, except for subsidiary coins still in circulation, quantitatively a very minor matter.

Responsibility for the provision of the Sch. 140 million of small denomination currency needed to effect the conversion was accepted by the U.S. and British currency sections, which drew on their respective stocks of small denomination AM currency. In consultation with authorities of the Austrian National Bank, it was agreed that the denominational breakdown of the amount to be distributed should be as follows:

<u>Denomination</u>	<u>Amount</u>
5 Schilling	Sch. 35 millions
2 Schilling	28 millions
1 Schilling	70 millions
50 groschen	7 millions
Total	140 millions

This amount was divided zonally as follows: Sch. 50 million to Vienna and USSR zone; Sch. 36 million to the U.S. zone; Sch. 36 million to the British zone; and Sch. 18 million to the French zone. The task of moving the currency to Vienna was shared equally by the British and U.S. currency sections.

Value of the Schilling

As reported in January, the currency conversion resulted in a substantial stabilization of the value of the Austrian currency,

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as expressed in terms of black market prices for foreign currencies. During February, the value of the Schilling remained stable or improved. The black market prices for gold and for the British pound were exactly the same at the end of February as they had been at the end of January. The prices of the U.S. dollar and the Swiss franc, however, declined substantially, indicating greater strength for the Austrian Schilling.

The table below gives black market prices for gold, U.S. dollar, British pound, and Swiss Franc.

<u>Date</u>	<u>gold</u> <u>14-K per gram</u>	<u>U.S.</u> <u>dollar</u>	<u>British</u> <u>pound</u>	<u>Swiss</u> <u>Franc</u>
26 January	90	185	250	50
2 February	110	172	260	43
9 February	100	160	250	37
16 February	80	150	260	30
23 February	90	140	250	33

Prices of these currencies and gold were lower at the end of February than they had been at any time prior to conversion.

U.S. Austrian Currency Section

As a result of the departure of the 83rd Infantry Division and the transfer of its excess funds to the Austrian funding officer, the U.S. Austrian Currency Section received Sch. 5,215,000 as excess funds. The only payment made during the month was Sch. 410,000 in reimbursement of UNRRA vouchers which had been made by the 42nd Infantry Division finance office. The currency section held Sch. 87,005,000 in a bulk currency depot with the Austrian National Bank at the end of the month.

There were no receipts during February of small denomination Allied Military Schillings, which are still legal tender in Austria; but total advances of Sch. 57,740,000 were made in connection with the small denomination conversion. These advances were made as follows:

Austrian National Bank, Vienna	12,140,000
Austrian National Bank, Linz	21,000,000
Austrian National Bank, Salzburg	6,600,000
French Forces, Innsbruck	<u>18,000,000</u>
Total	57,740,000

The U.S. Austrian currency section held on 28 February small denomination Allied Military Schillings with a total value of Sch. 291,225,002.50.

No payments of large denomination (non-legal tender) Allied Military Schillings were made during February. Sch. 90,015,000

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were received from the Austrian funding officer, turned in as a result of the currency conversion. As a consequence, the total amount turned back to the currency section by Army finance officers exceeded by Sch. 149,247,000 the amount which had been advanced to army disbursing officers by the currency section. This means that the net outlay made by U.S. forces in Allied Military Schillings during the approximate six months when such currency was in use in Austria will have been approximately minus Sch. 150 million. In other words, U.S. Army Finance Officers received \$15,000,000 more in schillings from the U.S. forces than they paid to them.

As of the end of February, the currency section held non-legal tender Allied Military Schillings with face value of Sch. 2,550,872,140. Arrangements were being made for the effective utilization of this stock of what is now "waste paper". The actual weight of the notes involved, high grade bond paper, is approximately 81.9 tons.

Printing of Austrian National Currency

The original goal set for the printing program of Austrian National Schilling currency, approximately 6 milliard schillings, was almost within sight at the end of February. As of 23 February total production had reached Sch. 5,782,000,000. The breakdown of weekly production by denominations is shown in the table below

<u>Date</u>	<u>Denominations</u>					<u>Total</u>
	<u>1000</u>	<u>100</u>	<u>50</u>	<u>20</u>	<u>10</u>	
26 January	964	2443	107	774	722	5010
2 February	964	2443	142	854	748	5153
9 February	964	2443	142	973	748	5272
16 February	964	2704	142	999	748	5559
23 February	964	2866	203	999	748	5782

BANKINGQuadripartite Activities

The Temporary Commission on Financial Institutions agreed that the records of the Post Office Savings Bank for the accounts of residents of the respective zones of the four elements in

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FINANCE DIVISIONBANKING

Germany might be removed from Postsparkassenamt in Vienna, and that such records should be made available for the Control Council, Germany, as desired. In order to aid credit institutions in preparing statements of their position as of 31 December 1945, the Temporary Commission on Financial Institutions unanimously agreed that certain important information had to be obtained from Germany. The Commission decided that the Austrian National Bank should be authorized to invite Austrian credit institutions to prepare statements of their accounts with German credit institutions, to include all balances as of the date of liberation of Austria and as of 31 December 1945. The Finance Division of the Control Council, Germany, would be requested to render assistance in forwarding such statements to German credit institutions and in obtaining similar information from German credit institutions regarding accounts with Austrian financial bodies.

Both items were referred to the Quadripartite Finance Committee for approval. As the result of disagreement on technical matters, the Finance Committee referred the items back to the Temporary Commission for further study and clarification.

United States Zone

Primarily as a result of the currency conversion, there was a reversal of the favorable ratio of bank deposits to withdrawals which had prevailed from the time of entry of U.S. Forces until the conversion was completed. This development was easily explained by the fact that cash holdings of the public, in both business enterprises and private dealings, were below minimum requirements after the conversion. Furthermore, the very fact that withdrawals are restricted by law tends to induce people to withdraw all they are entitled to. On the other hand, the Conversion Law protected the banks from a run.

The increase of deposits in the U.S. Zone during 1945, that is, before the conversion, are shown in the following charts. Total deposits increased steadily from the end of July, when they were Sch. 3,184,000,000, to the end of December, when they were Sch. 5,641,000,000. This was an increase of 77% in the amount of deposits. It is interesting to note that the increase occurred primarily in Linz and Land Upper Austria rather than in Land Salzburg and the City of Salzburg itself. In Linz, deposits increased from Sch. 1,229,000,000 in July to Sch. 2,416,000,000 in December, an increase of 96%. In Land Upper Austria deposits increased from Sch. 702,000,000 to Sch. 1,366,000,000, an increase of 94%. In Land Salzburg itself there was the smallest increase, from Sch. 232,000,000 to Sch. 261,000,000, or only a 12% rise.

Salzburg

In the City of Salzburg, during the entire month of January,

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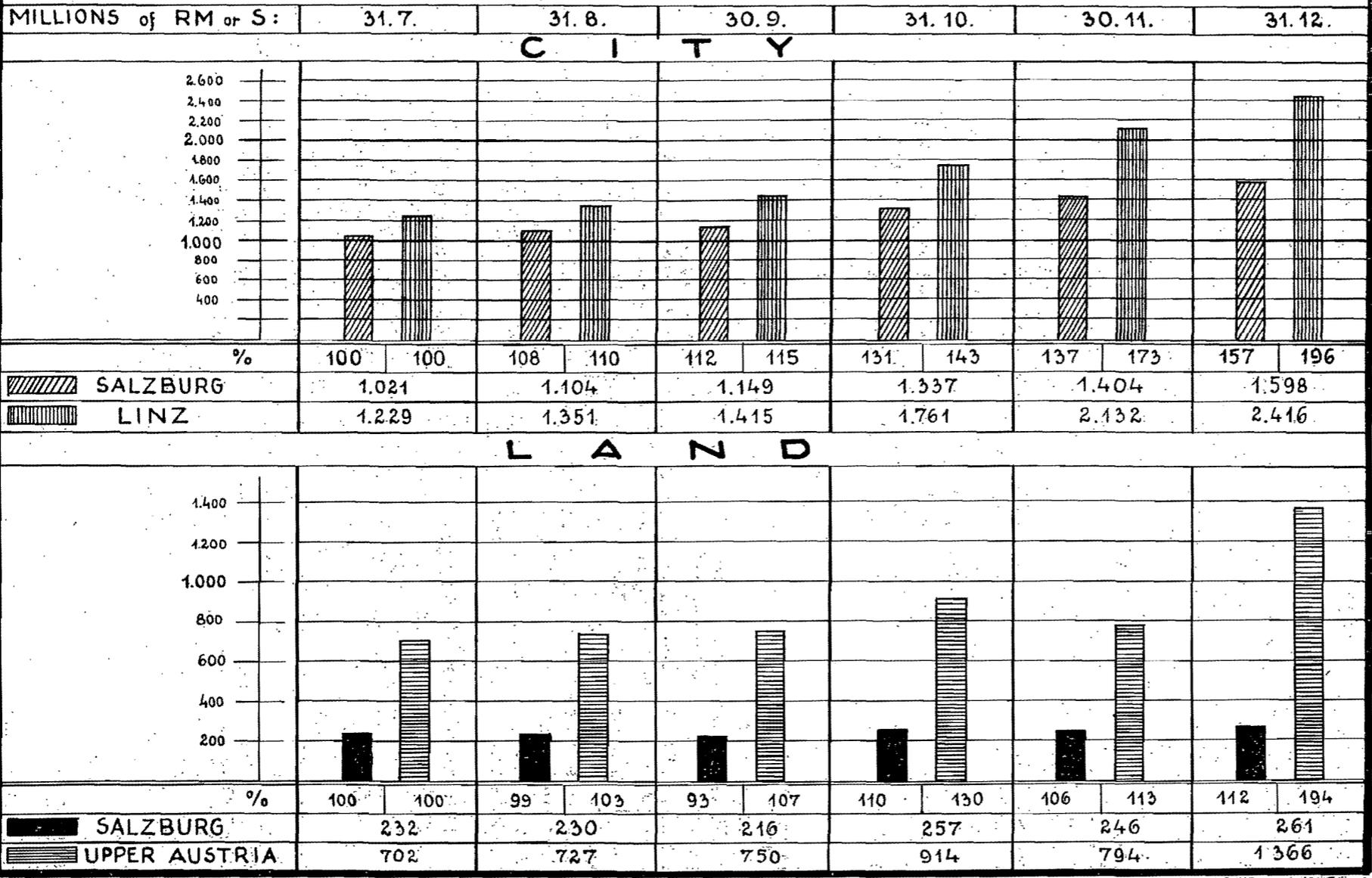
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FINANCE DIVISION

BANKING

TOTAL DEPOSITS IN AMERICAN ZONE OF AUSTRIA 1945.



H.Q. USFA. (USACA) - FINANCE DIV.

31 DEC 1945

FEBRUARY 1946

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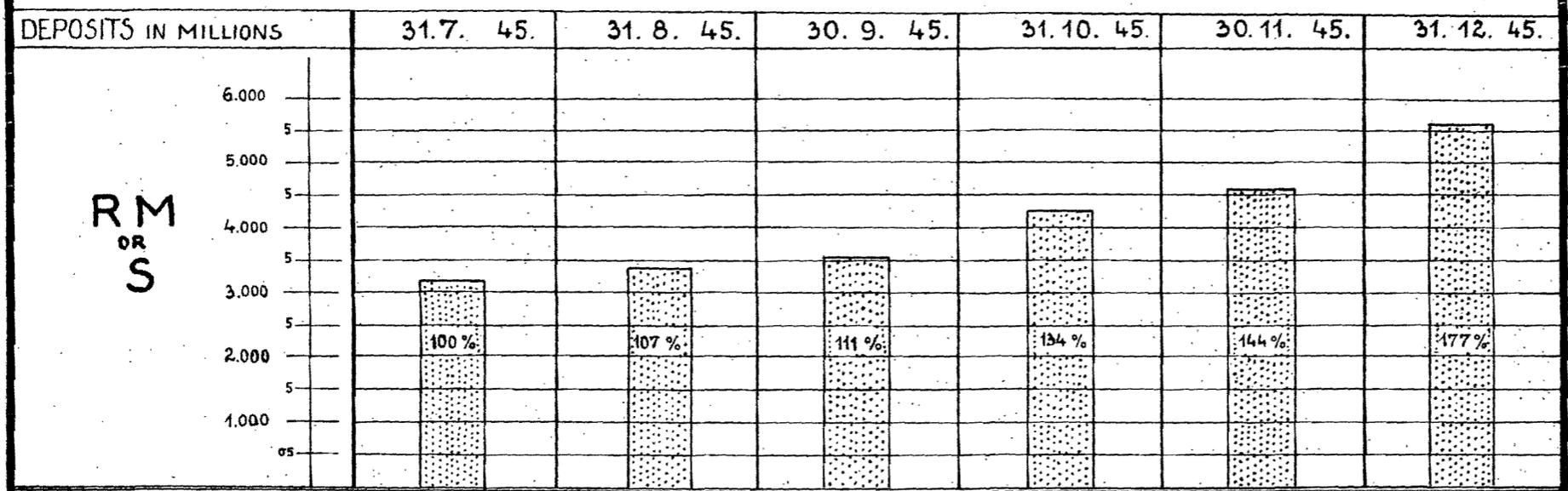
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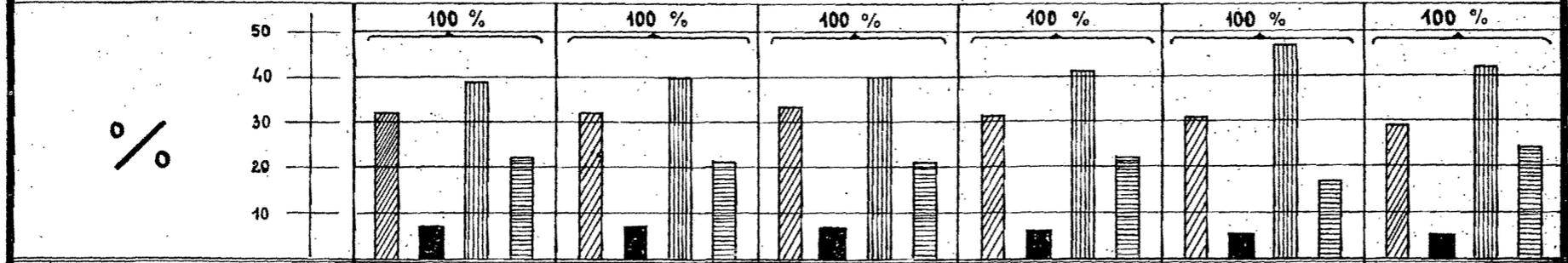
FINANCE DIVISION

BANKING

TOTAL DEPOSITS IN AMERICAN ZONE OF AUSTRIA.



DISTRIBUTION OF DEPOSITS :



THEREOF:		31.7. 45.	31.8. 45.	30.9. 45.	31.10. 45.	30.11. 45.	31.12. 45.
SALZBURG CITY		1.021	1.104	1.149	1.337	1.404	1.598
SALZBURG LAND		232	230	216	257	246	261
UPPER AUSTRIA CITY		1.229	1.351	1.415	1.761	2.132	2.416
UPPER AUSTRIA LAND		702	727	750	914	794	1.366
MILLIONS OF RM or S		3.184	3.412	3.530	4.269	4.576	5.641
%		100	107	111	134	144	177

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FINANCE DIVISION**INSURANCE**

Insurance head offices in Vienna through the services of the Office for Military Government in Bavaria.

Recent Developments

Clarification was effected on the applicability of the Schillinggesetz (conversion law) to the Insurance Industries of Austria. The policy holders can withdraw Sch. 150 per month up to 40% of the total credits existing at the time of Austria's liberation, for the purpose of payment of insurance premiums. The insuree can claim 40% of the face value of any policy for payments of burial costs and wages and rent payments. All sickness insurance claims are to be paid in full in installments of Sch. 150 per month.

Austrian branches of German Companies were permitted to underwrite new business in all of Austria, subject to existing Austrian law and permission of the Ministry of Finance. Two Companies were able to write life insurance, eight Companies general insurance, and the agents of ten Companies were permitted new business in the sickness field. Inasmuch as this problem was a commercial agreement between the principal companies and the Ministry of Finance, the approval of each of the occupying powers for their respective Zones was necessary. It was agreed by the United States, British, and French representatives that this agreement, as proposed in Vienna, could be extended to each of the three Zones. The agreement automatically included lower Austria as soon as it was put into effect in Vienna.

This agreement was necessary since plans for merging German branches into Austrian Companies were temporarily blocked, pending Quadripartite decision defining and disposing of German assets in Austria.

Phoenix Fund Problem

In 1936, one of Europe's largest insurance companies, the Phoenix, went bankrupt. Its outstanding liabilities, chiefly life insurance policies, were the subject of detailed study and, in the case of the life policies, a final liquidation plan, which involved the establishment of what was known as the "Phoenix Fund."

It was essentially an amortization fund, supported by taxes on the premium incomes of all Austrian companies. The monies paid in to it were used to satisfy the life claims of Phoenix insurees. After the Annexation, the Nazi Insurance Department of the Reich Finance Ministry removed the assets of the Fund and its administration to Berlin. Since the end of the war, Austrian claims were regularly presented and were paid out of the present premium income proceeds of the former Fund Administrator, the Austrian Life Insurance Company (OVAG).

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It was expected that between Sch. 18,000,000 and Sch. 32,000,000 of claims would be received in 1946 by OVAG from holders of old Phoenix policies. The entire premium income of OVAG for its own "new" (separately underwritten in the name of OVAG) business would be insufficient to cover these claims.

In cooperation with the Ministry of Finance, a study of various possible new foundations for this Fund was started.

Insurance Industry Status Statistics

Incomplete returns on the liability-asset structure of the Austrian insurance industry served as an indication of what may be expected in the final result with all figures included. Reports from eleven head offices, covering the liabilities of both Austria and foreign countries, but only internal Austrian assets (except for the Reich government security figure) are shown in the report at the end of this section. These were as of 31 December 1944. Subsequent figures were unavailable.

Reich securities, although they may be included in a claim to be presented through the Austrian to the German government, were to all intents and purposes to be counted as lost. The valuation of assets, furthermore, was based on present book values and did not reflect post-war assessments, which must be made. The status of borrower's ability to pay either principal or interest in the case of promissory notes, mortgages, bonds, etc., was an unknown quantity. At best, therefore, the industry (at present represented by only 11 of its 43 companies) must find some way of covering outstanding liabilities of Sch. 147,597,000,000.

The figure was actually much higher when the liabilities outstanding Phoenix Life stock were included, as they had to be. These liabilities totaled Sch. 172,085,000.00. They were not included in the following table, since this stock has always been separately administered since the Phoenix crash in 1936, and will continue to be so handled in the future. From the industry standpoint, however, it was as much a liability as the stock of any presently going concern, and as such brought the partially calculated total of Austrian insurance liabilities to the sum of Sch. 319,682,000.00.

Conditions in U.S. Zone

On 1 February, U.S. Insurance Directives numbers 1 and 2 were revoked by this Headquarters for the entire U.S. Zone. The Finance Ministry, and through it the Vienna Head Offices of Insurance Companies, were previously notified of this pending action in order that they would be ready to take necessary measures on date of revocation.

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FINANCE DIVISION

INSURANCE

Progress of Insurance Industries in Land Salzburg is given in the following table:

Month	Total pre- mium income	No. of new con- tracts	Expired Business		
			No. of cancelled contracts	Cancelled premiums	Life policy
July	557 419.04	1014			
August	500 420.92	914			
September	681 891.26	1291	12		
October	747 186.37	1769	1		
November	*599 262.10	1959	57	9 659.39	200 497.--
December	636 218.30	2561	473	22 935.24	1 085.--
1946					
January	474 440.70	2133	392	15 739.10	3 500.--

Month	Personnel		Total of bank & cash balance	Claims		
	Changes Adm.	Dism.		No.	Amt. paid out	Estim. to be paid
July	10	9	3 277 352.72	287	94 868.44	
August	10	10	3 486 626.85	360	182 792.84	
September	20	10	4 715 278.76	181	171 145.01	3 403.--
October	22	13	5 306 046.05	725	437 539.35	
November	15	6	3 961 710.60	587	39 953.60	142 787.92
December	45	12	4 394 766.04	611	150 569.72	87 752.03
1946						
January	32	9	4 743 997.41	915	78 668.09	152 682.33

*This decrease, due to a transfer of funds from Salzburg to Vienna banks, was checked and is in order.

In Linz, nine Austrian Branch Offices returned reports of insurance claims blocked because of the claimant's Nazi record. Such blocking was done under the provisions of Military Government Law #3 and General Order #1. A total of 72 claims, amounting to Sch. 504,162.50, were reported as blocked.

There were in Austria 45 so-called small mutual insurance associations. Their main business was fire insurance. They operated under existing Austrian laws regarding organization and activity of private insurance companies. These associations were small mutual cooperatives of farmers in certain districts and, as such, confined their underwriting to exceedingly small areas and a small number of people. Such groups have been established for many decades and enjoyed an excellent reputation among the conservative rural population. Thirty-two of the 45 associations were established and operated only in Upper Austria. Two or three operated in Land Salzburg with the rest scattered throughout Austria.

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FINANCE DIVISION**GOVERNMENT FINANCE**

February. This proposal had been discussed in January both by the Temporary Commission and by the Finance Committee. Until 1937, the Postsparkasse existed as a separate institution, and charged fees for Post-Check-Accounts. These fees were paid in cash. During the period when the Postsparkasse was a part of the German Reichspost, no cash fees were in effect and the charges were evidenced by normal postage stamps. Actually the receipts from these charges became a part of the general receipts of the postal administration. It was decided that the Chairman of the Temporary Commission should advise the Finance Committee that the British, French, and U.S. members accepted the alteration but that the Soviet member desired to reserve his view. The Finance Committee approved the change with the condition that a report be submitted which would show the results of the change.

The cost of transportation and other necessary expenses involved in the restitution of property from Austria were discussed. The Temporary Commission agreed that such costs within Austria would be borne by the Austrian Government, but that expenses outside of Austria, except in Germany, would be borne by the country to whom the property was being restituted.

A report to the Quadripartite Trade Committee stated that customs control posts had been established along the entire border, and customs personnel were carrying out their fiscal duties under the orders of the Austrian financial administration. The control exercised by the Austrian customs service were effective insofar as the control of traffic across its borders fell within its competence. No control was exercised by the Austrian customs service over military traffic crossing the border; and it was recommended that this matter be submitted to the Quadripartite Military Division for consideration.

Financial Problems in the U.S. Zone

Upon shifting control of the Austrian budget to the Ministry of Finance at the beginning of 1946, it was anticipated that the Ministry would make necessary provisions for financing the maintenance of displaced persons and disarmed enemy forces in the U.S. Zone prior to the first of the year. Most of the necessary funds for DP's and DEF's, as well as the administrative expenses involved in disbursement of such funds, were provided by Military Government. With the beginning of the year, the pay office in Salzburg was made competent only for the payment of occupation costs, and accordingly it was provided with funds only for this purpose. Payments incident to the maintenance of DP's and DEF's were to be assumed by the Land Government on behalf of the State and administered partly through its own agencies and partly through the City of Salzburg and the Bezirkshauptmannschaften (countries).

At the end of January complaints were received from Salzburg that the payrolls of employees working under Army super-

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FINANCE DIVISIONGOVERNMENT FINANCE

vision in connection with displaced persons were not being met. On investigation it was found that neither administrative machinery nor funds were provided for this purpose. In order to agree on an assigned responsibility for the administration involved, a meeting was called of the interested officials of the State, Land, and City.

Considerable protest was expressed at this meeting against the necessity of maintaining the Displaced Persons. Particular emphasis was placed by some of the officials on expenditure for the education program for Displaced Persons. They were willing to administer financially the entire Displaced Persons program, but were strong in emphasizing that neither the municipalities nor the Land could do so without receiving the necessary funds from the State. Further, they were of the opinion that not they, but the occupation authorities would have to request the Ministry of Finance to make the necessary allotment. The Ministry of Finance stated that it would make the required funds available to the Land Government.

Somewhat the same problem arose in connection with payment to Disarmed Enemy Forces on discharge from U.S. custody. U.S. Army instructions provided that Disarmed Enemy Forces personnel of Austrian nationality will be paid a discharge pay and accrued Wehrsold not in excess of 100 schillings to EM and 150 schillings to officers, inclusive of discharge pay of 40 schillings per EM and 80 per officer. The Ministry of Finance issued an instruction to the Lander to the effect that no payments should be made to DEF personnel, and accordingly provided no funds therefor. This action was taken without consultation with U.S. occupation authorities. It was necessary to request the Ministry of Finance to provide the necessary funds to the Lander in order that such payments could be made.

Subsidies

Provision of funds for payment of subsidies to producers and processors was also held up by the Ministry of Finance. The payment of subsidies had been a moot point in the program of the Austrian Government. The Government was strongly opposed to the subsidies inherited from the German regime, all of which continued in effect in the three Western Zones after occupation by the U.S., British, and French troops. The occupation authorities in the three Zones were disposed toward continuing the subsidies until they could ascertain the effect abolition would have on prices and wages. The Austrian Government, particularly the Ministry of Finance, was of the opinion that certain price increases would not be harmful, but even desirable. The occupation authorities were disposed toward such a policy, as they were not necessarily against the abolition of subsidies and certain price increases; but before they acceded to such a measure they desired a comprehensive wage and price policy. They feared that abolition of subsidies without a substitute program would provide a strong

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LEGAL DIVISION

SYNOPSIS

The Quadripartite Legal Division considered twelve legislative measures of the Austrian Government.

The shortage of judicial personnel remained the great problem of proper and complete functioning of the Austrian courts. Two additional courts were opened in Abtenau and St. Michael, Land Salzburg.

The business of Military Government Courts increased slightly. Case records received showed a trend towards lighter punishment and suspended sentences. Summary Courts in Salzburg were consolidated.

Plans were prepared for the resumption of Austria's membership in the International Union for the Protection of Industrial Property.

QUADRIPARTITE LEGAL DIVIS.

QUADRIPARTITE LEGAL DIVISION

The Quadripartite Legal Division considered twelve legislative measures of the Austrian Government. Of these four were approved as written, six were required to be amended in certain respects, and two on which it was impossible to reach unanimous agreements were referred to the Executive Committee for final decision.

The Quadripartite Legal Division, under instructions from the Executive Committee, examined pertinent provisions of the legislative program of the Austrian Government and reported to the Executive Committee that it had no comments to make at the time with regard thereto.

A resolution which dealt with the procedure to be followed by the Austrian Government in submitting legislative measures enacted by the Austrian Parliament to the Allied Council for approval, was adopted by the Allied Council on 11 February. The adoption of this resolution by the Allied Council provided a workable solution to a troublesome problem along the following lines:

Copies of all legislation introduced in Parliament are sent immediately, with translations into English, French and Russian, to the Allied Secretariat. After the first reading of a law in the Nationalrat and while it is pending before Parliamentary Committees, application may

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crease in the number of buses in use. In January the system earned 44% of the gross revenue for a normal month (August 1939). The revenue per kilometer operated is now 264% of that earned in the normal month, showing the extensive use of bus lines.

State Railroad Bus System (ROB)

This bus system had only 43 buses in operation. An additional 28 buses at Salzburg are undergoing repair for operation on routes in the U.S. Zone. Without appreciable addition of buses or routes there was an increase in bus kilometers operated, total kilometers, and passengers carried. Because of the lack of tires, the Linz-Braunau service was suspended. There was also a shortage of tires for buses operating south from Vienna.

Municipal Transport Systems

The Vienna municipal transport system repaired more damaged car equipment and put additional lines into service. There was material increase in service on the heavy riding lines and later night runs were introduced on other lines.

Car repairs, especially electrical equipment, progressed, but there is a great need for the steel tires which were ordered earlier from Essen, Germany. There are no steel tires manufactured in Austria.

Power supply was sufficient for all operations of street car and elevated systems. The chief items of repair work accomplished consisted of repairs to 145 cars, 160 meters of track with appurtenant incidental work, 12,600 meters of trolley and signal wire, 20 units of automotive equipment, and 7 lines added or extended.

General improvement in the Linz City Service was accomplished.

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R. D. & R. DIVISION

SYNOPSIS

Fifteen hundred ninety-two properties out of an estimated total of thirty three hundred ten properties are now under control.

Restitution of art objects looted from allied nations continues.

Reparations questions await the formulation of agreed policies on a governmental level.

REPARATION & RESTITUTION

REPARATIONS AND RESTITUTION

At the Allied Council meeting 10 January, the Soviet member stated that his government was willing to examine "concrete cases involving the origin of particular types of German assets in Austria if parts of them were situated in different zones of occupation in Austria, if doubt arose as to their origin". Although this formula severely limits the number of cases subject to examination, it was felt it could serve as a useful basis for exploring the Soviet position with regard to the treatment of German assets in Austria.

With this end in view, the case of the First Danube Steamship Company (DDSG), which had been seized by the Soviets, was raised for discussion in the Allied Council meeting of 11 February. This resulted in a statement by the Soviet member to the effect that he was "prepared to discuss this DDSG case", but he added that the action of the Soviets in seizing the property "was in accord with government instructions", and that no further discussion was appropriate.

The British representative took the position that "as a result of German manipulation and pressure, a large portion of Austrian wealth passed to German ownership; and that such passage was illegal. If an uncontrolled reparations policy is to be unilaterally pursued, Austria may well be stripped of 70 per cent of her resources. Such a policy would conflict with the Moscow declaration which provided for a free and independent Austria". The French member concurred in this view. The Soviet member stated that he "didn't know of any such arrangements". It was thereupon agreed that the matter should be referred by the commissioners to their respective governments.

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R. D. & R. DIVISION REPARATION & RESTITUTION

With regard to the matter of former Allied properties, however, specific cases have been raised at the quadripartite division level, where the Soviet representatives have demanded detailed proof, but up to the present time, after proof had been given, they have indicated a willingness to consider the subject in but few instances. To date no agreement on any one property has been reached with the Soviets, ostensibly on the ground that they have not yet had sufficient time to examine the proof submitted.

In the case of properties involving interests of other occupying powers agreements have, in most instances, readily been reached without formal discussion at the quadripartite division level.

PROPERTY CONTROL

PROPERTY CONTROL

Synopsis

Two hundred and eighty-five additional properties were taken under control, an increase of eight percent. This brings the total to fifteen hundred and ninety-two, which is 48.1% of the total now deemed subject to control. (See Chart I and II)

Recommendations were forwarded to the Joint Chiefs of Staff that properties owned by the Nazi Party in Austria, or ex-leaders thereof, be turned over to an agency of the Austrian State for administration and restoration to rightful owners, subject to the adequate protection of any Allied, neutral, or other Austrian claims involved.

Basic plans have been formulated to govern the transfer of enemy plants and material, installations and machine tools from Ordnance Service, USFA, to the control of Property Control officers.

General

Letters of inquiry and claims received totaled one hundred seventeen. These were processed in the normal manner and sent to the Land and Vienna Area Command Property Control Officers. In addition to the agreement made with the Bundesministerium fur Vermoegenssicherung und Wirtschaftsplanung to handle claims of Austrian citizens for property within Austria, a further agreement was reached with the Ministry of Foreign Affairs by which the Legal Department of that Ministry will handle all claims of Austrian citizens for property located outside of Austria. This latter agreement leaves one "claim and inquiry"

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R. D. & R. DIVISION**PROPERTY CONTROL**

problem to be solved, that of finding a suitable agency to handle the claims of non-American or non-Austrian citizens for such "intangible" interests as pensions, leases, patents, etc.

The following table illustrates the distribution of claims and inquiries according to nationality of the claimant and location of the property.

Claims and InquiriesFebruary 1946

<u>Nationality</u>		<u>Location by Zone</u>	
United States	53	Vienna	44
Polish	9	U. S. Zone	
Austrian	5	Salzburg	8
French	4	Upper Austria	20
German	3	Soviet	10
Belgian	2	British	3
British	1	French	3
Czech	1		
Greek	1		
Palestinian	1		
Hungarian	1		
Unknown	7		
	<u>88</u>		<u>88</u>

Twenty-nine additional inquiries were received on which the following action was taken:

- 14 were held pending a definitive statement of citizenship status
- 3 were referred to the Office of the Political Adviser
- 3 were forwarded to the Bundesministerium fur Vermoegenssicherung und Wirtschaftsplanung
- 9 were forwarded to other agencies

Additional properties in the following categories were taken under control:

Business Enterprises

Sixty-five, bringing the total to three hundred and ninety-three. Although this category of property amounts to only a quarter of those under control, it presents the most difficult and complicated administrative problem.

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R. D. & R. DIVISION**ARCHIVES**

Certain Austrian archives of historical interest have been stored in Czechoslovakia. The question of mutual transfer of archives was referred to the representatives of the Austrian Ministry of Foreign Affairs.

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R. D. & R. DIVISION

PROPERTY CONTROL

PROPERTIES UNDER CONTROL
 as of
 28 February 1946

	Business Enterprises	Real Estate	Foreign Currency	Art Objects	Other Prop.	Total
United Nationals	48	136	3	4	7	198
Austrian State	2	37	1	2	1	43
Nazi Party & Party Leaders	125	671	3	1	4	804
Other Enemy Gov. & Nationals	12	13	6	1	12	44
Looted Property		2	2	2	1	7
German Govern. & Nationals	203	192	12		9	416
Abandoned Property		2	2		1	5
Other Property	3	60	4		8	75
Total Properties	393	1113	33	10	43	1592

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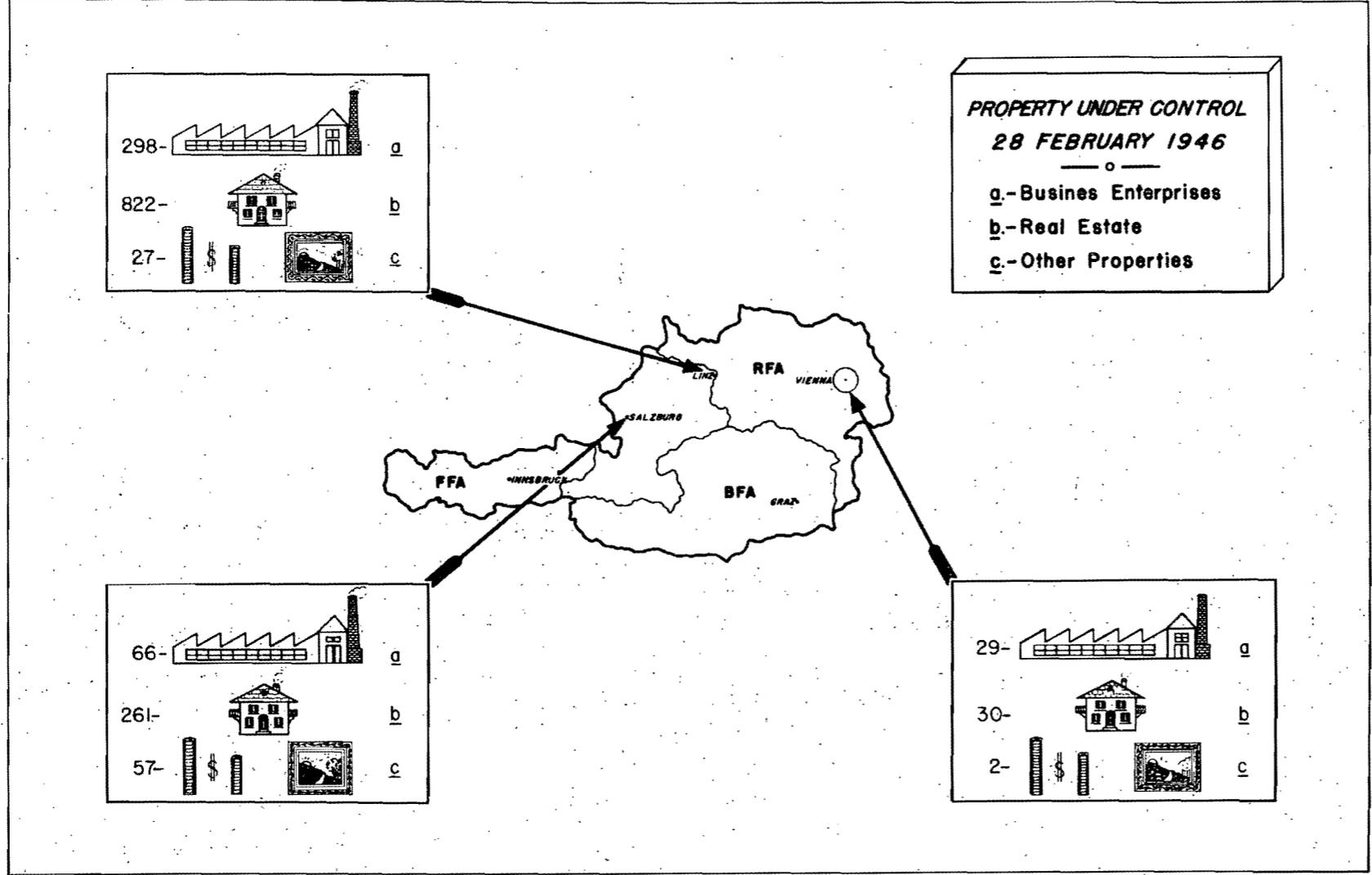
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R. D. & R. DIVISION

PROPERTY CONTROL

CHART II



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MILITARY DIVISION

INTER-ALLIED MILITARY COMMISSION

The Inter-Allied Military Commission convened during the month to consider the complete demilitarization of the Austrian Cartographical Institute, and the control of all Austrian land survey. It was agreed:

- a. That the stocks of German maps remaining in Austria would be seized and each of the Occupational Powers receive ten (10) copies of each sheet.
- b. That the plates bearing the German War Grid would be destroyed after copies were made by the Institute and supplied to each of the Occupational Powers.
- c. That a copy of all geodetic documents treating with Austria would be furnished each of the Occupational Powers.
- d. That a complete inventory would be made of all properties in Austria belonging to or used by the Institute, and a copy of the inventory is to be made under supervision of the U.S. Element.

The report of the investigation by the Inter-Allied Military Commission, covering the dissolution of all military and para-military organizations, was discussed by the Allied Council on 11 February 1946.

A final decision could not be reached by the Council due to a disagreement between the Soviet and British members. The Soviet member maintained that there existed in the British Zone a "White Russian Corps", an "Austrian Brigade" and a "German Corps" which were administered by their own officer staffs and, as such, were a potential military organization. The British member would not agree that any military formations existed in the British Zone; that all surrendered enemy personnel were organized into labor units and were, therefore, not military formations. The British member agreed to immediate dissolution of the officer staffs administering these labor units.

After a deadlock and informal discussions, the British and Soviet members of the Executive Committee were asked to prepare certain amendments to the recommendations. These were submitted to the Allied Council but the Soviet member insisted upon changes which resulted in another deadlock. The British member stated that further discussion appeared useless and that there seemed to be no other course than for each Commander-in-Chief to report the situation to his Government. At the next meeting of the Allied Council for adoption of the minutes of the previous meeting, this subject was brought up but again a deadlock was reached because of the divergent British and Soviet views.

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VIENNA AREA COMMAND**PUBLIC SAFETY****Fire Department**

Wind storms during the month put considerable work on the Fire Department. In the first storm 263 extra calls were made because of collapsed or dangerous buildings. The work lasted from a few minutes duration to one case in which a building collapsed and work continued for 24 hours in extricating 10 victims, 5 of whom were alive. 1,009 alarms were answered, of which 60 were actual fires.

Many former members returned to their positions from PW Camps. 90 men were enlisted, making the total personnel 24 officers and 1,013 men.

Prisons

Questionnaires were distributed to Land Court Prisons I and II, to be completed by prisoners who are accused of minor criminal acts and who are awaiting disposition by the Austrian Judiciary. This plan was evolved to alleviate overcrowded prison conditions, since many of the prisoners had been confined for months. Upon completion, the questionnaires will be acted upon in collaboration with the Austrian Judiciary to release those prisoners who have served enough time in proportion to their alleged crimes.

The population of the Police Prisons increased notably during February. (example: 330 prisoners on 22 Feb., 838 on 28 Feb.) The total prison population of the U.S. Vienna Area reached a new high of 3,779 inmates.

Special Branch

During the month, 1,777 Fragebogen were registered and 770 Action Sheets were issued. Eighty-four registrants were found to be in the mandatory removal category.

Travel Bureau

The travel permit situation remained practically unchanged except in the case of foreigners. Permits were not issued to foreigners who have lived in Austria since March 1938, except in cases of extreme emergency. During the month 5,987 persons were interviewed and 1,606 passes were issued.

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VIENNA AREA COMMAND**FINANCE**OCCUPATION PAYMENTS

February payments for the account of U.S. military units in Vienna totaled Schillings 2,817,976.44, covering 10,439 wage payments, 956 invoices, and 455 rent payments for billets. Beginning 1 March, machinery for payment of rents and related invoices on some 60 requisitioned garages will be set in motion.

An account analysis revealed that in December 7, 1948 Austrian civilian employees received a gross pay of Schillings 2,208,174, which included income taxes of Schillings 236,128 and social insurance premiums of Schillings 145,634. The average gross pay for the month was Schillings 283.5 per person. This compares with a reported average wage rate of Schillings 260 per month for the 48,000 employees of the municipal government of Vienna.

Black Market

Price control violations for the five weeks ending 2 March totaled 596 cases involving an aggregate amount of Schillings 2,638,285, compared with 324 cases and an aggregate amount of Schillings 953,150 in January. Recent black market price trends in Vienna were as follows:

Product	Quant.	Off.Price (retail)	Black Market Prices (in Schillings)				
			26 Jan	2 Feb	9 Feb	16 Feb	23 Feb
Flour, white	Kilo	S -.48	60	60	60	60	60
Flour, dark	"	-.30	45	45	45	45	45
Bread, white	"	-.56	30	30	30	30	30
Bread, dark	"	-.34	30	40	40	40	40
Lard	"	2.16	400	400	400	400	400
Bacon	"	2.16	500	500	500	500	500
Vegetable oil	"	2.10	400	400	400	400	400
Beef	"	1.80	100	100	100	100	100
Pork	"	2.60	150	150	180	180	180
Corned Beef	"	-.--	300	300	300	300	300
Sugar	"	-.78	200	200	250	250	250
Chocolate	piece	-.--	-.--	-.--	50	50	50
Coffee	Kilo	7.45	1500	1500	1500	1500	1500
Tea	"	40.--	1000	1000	1000	1000	1000
Cigarettes (Austrian)	each	-.06	2½	2½	2	2	2
Cigarettes (American)	"	-.--	3	3	3	3	3
Cigarettes (British)	"	-.--	3	3	3	3	3
Wine	Liter	4.--	60	60	60	60	60
Brandy	"	6.--	300	-.--	600	600	600
Light Brandy	"	4.--	300	300	200	200	200

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VIENNA AREA COMMAND FINANCE

Product	Quant.	Off.Price (retail)	Black Market Prices (in Schillings)				
			26 Jan	2 Feb	9 Feb	16 Feb	23 Feb
Men's Shoes pair S	25.--	1500	1200	500	500	500	
Cloth m2	15.--	300	300	300	300	300	
Gasoline Liter	-.74	30	30	30	30	30	
Gold (14 Karat)							
gram	3.50	90	110	100	80	90	
US Dollar each	10.--	185	172	160	150	140	
British Pound "	40.--	250	260	250	260	250	
Swiss Franc "	-.--	50	43	37	30	33	
Czech Crown "	-.--	1	1.20	1.10	-.80	-.70	
Reichsmark "	-.--	-.55	-.50	-.49	-.49	-.50	
Ital.Lira "	-.--	-.14	-.14	-.15	-.15	-.15	

Sources: Viennese banking circles for currencies and the Vienna Price Control Police for all other items.

Collections for Civilian Supplies

Gemeinde Wien frozen bank accounts are in arrears to the extent of several millions of schillings, in payment for supplies delivered, priced at Vienna legal wholesale rates. The responsible municipal departments have been requested to bring these accounts up to date.

Balances as of 28 February were as follows:

Food Supplies	Sch	31,906,547.55
Soap "	"	445,620.21
P.O.L. "	"	268,347.29
Textile "	"	610,208.42
Wood "	"	1,448,457.56
Coal "	"	960,224.27
Coal Transport	"	1,082,755.00
	Sch	36,722,160.30

Civilian Mess Accounts

The Gemeinde Wien Accountancy and Payment Office (US) was charged with the responsibility of acting as cashier and accountant for some 30 civilian cooperative messes operated by U.S. military units for approximately 8,000 civilian employees. Up to the end of January total receipts amounted to Schillings 345,659 and expenditures aggregated Schillings 208,820. Separate accounts are kept for each mess. The total balances on hand are Schillings 136,836.

Foreign Exchange Facilities For Displaced Persons

By virtue of a license issued by the Austrian Finance Ministry, arrangements were made for Displaced Persons in Vienna being

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VIENNA AREA COMMANDFINANCE

repatriated to Germany to exchange personal Austrian currency holdings and personal Austrian bank accounts into banknotes which are legal tender in Germany, immediately prior to their departure from Austria.

Foreign Owned Bank Assets In Vienna

A survey of the 25 banks in Vienna showed that 16,912 citizens of 74 foreign countries hold credit balances of more than 300 million schillings and deposits of 26,584 securities items. 1,221 of these were United States citizens, with credit balances totaling Schillings 3,708,000 and deposits of 1,517 securities.

PUBLIC WELFARESUPPLEMENTARY FOOD

The school feeding program continued to serve daily lunches to 84,822 children in 495 schools throughout the city. An average of 21,320 were served at 110 schools in the U.S. Vienna Area.

The Swedish Relief Action for Austria served daily lunches to 12,835 children between the ages of 3 and 6 years. The Swiss Relief Committee (Swiss Quakers), in cooperation with Don Suiss, extended their program giving supplementary food to several thousand undernourished children and old people.

Supplementary Feeding Program in the U.S. Vienna Area

The emergency supplementary feeding program, under the direction of the ARC-CWR, was continued in 28 hospitals and institutions and 10 mother-care stations in the U.S. Vienna Area, serving food to a total of 11,334 undernourished children, pregnant women, and nursing mothers.

Relief Clothing

Distribution was made of 15 tons of Swedish clothing, first shipment of the 100 ton gift from the Swedish people, and 24,125 garments of ARC clothing.

79,157 garments of Class X army clothing and 4,737 pairs of shoes were turned over to the city for the U.S. Vienna Area.

150 tons of clothing and shoes were received from Canada for immediate free distribution to the needy of Vienna.

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VIENNA AREA COMMANDPUBLIC WELFAREOther Relief Actions

In addition to other benefits received in the U.S. Vienna Area, the ARC-CWR distributed 13,577 garments to United Nations Displaced Persons, ex-concentration camp victims, and crippled children's hospitals.

Refugees and Returning PW's

In order to avoid undue suffering on the part of returning DEF's, the City Welfare Department, with the aid of the U.S. Military Government and the International Red Cross, operated a transient camp for 500 refugees, kitchens at each of the three railroad stations, and one main kitchen where 500 of those living in private homes, but having no ration cards, were fed daily.

Children Movements

During the past month 242 children were sent to Switzerland and 350 were returned after having spent three months in homes there. The total now away is 2,866.

PETROLEUM AND FUELSFIREWOOD

An attempt was made to turn over to the city of Vienna the receipt and distribution of firewood. It became apparent, however, that the city was unable to recruit, employ, or provide adequate labor to discharge the railroad cars or to distribute the wood, so the project was abandoned, and the U.S. military resumed its responsibility for the work.

Security Guards

The relief of 36 U.S. guards at railhead and solid fuel distributing points by Austrian police was accomplished without incident.

P.O.L. Bulk Storage Railhead

The storage facilities of the Standard Oil Company of Austria at Praterspitz-Danube were placed in operation for the receipt, storage and issue of all P.O.L. products for the Austrian State Government and the Municipality of Vienna.

FEBRUARY 1946

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VIENNA AREA COMMAND

PUBLIC WORKS

	<u>28 February</u>	<u>31 January</u>
Sewage system	86.6 %	81.0 %
Building repairs	1.74 %	1.52 %
Debris clearance	50.3 %	49.7 %

* Water system repair remains constant because repairs to Krapfenwaldl reservoir cannot be started before spring.

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1 Allied Commission for Italy

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MILITARY GOVERNMENT AUSTRIA



Report of the United States Commissioner

November 1945
No. 1.

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REPORT OF U.S. COMMISSIONER, AUSTRIA



REPORT OF U.S. COMMISSIONER, AUSTRIA

The outstanding constructive events in Austria during the month of November, 1945, were the national election and the adoption of a currency conversion plan. Other matters of significance were (1) the receipt of an appeal for economic assistance from Dr. Renner, dated 5 November; (2) the continuation of a deadlock on the pooling of economic resources, including food; (3) progress on evacuation of displaced persons and disarmed enemy forces; (4) good progress on review and approval of the decrees and orders of the Renner Government.

ELECTIONS

The first free national election in Austria since 1930 was held on Sunday, 25 November 1945. In the election and in the campaign which preceded it, the Austrian people gave an impressive exhibition of their democratic capacity. The campaign was conducted by all three major parties in a vigorous, serious and generally orderly manner. The registration was heavy. The total of 3,418,276 compares favorably with 4,121,282, in 1930. The fact that approximately 93 per cent of the registered voters cast valid ballots is convincing evidence of the public interest and the representative character of the result.

The Nationalrat, or lower house of the Parliament, will be composed of 85 People's Party (Volkspartei) members, 76 Socialists and 4 Communists, according to the informal returns.

The Landtage, or provincial legislatures, chosen at the same time will have People's Party majorities in all the Laender, except Carinthia and Vienna where the Socialists will control. The total party strengths in the nine Landtage will be People's Party, 213; Socialists, 179; Communists, 15 and Democratic Party (authorized only in Carinthia), 1.

NOVEMBER 1945

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REPORT OF U. S. COMMISSIONER



INTRODUCTION

From the long range point of view the most constructive development in Austria during January 1946 was the recognition of Austria as an economic entity. Events of more immediate interest were the survey of the nature and extent of military and para-military organizations and the establishment and initial activity of the Ministerial Committee for Denazification of the Austrian Central Government and Economic Machinery.

RECOGNITION OF AUSTRIA AS AN ECONOMIC ENTITY

So long as the pooling of economic resources throughout Austria would mean that some of the occupying Powers would, in effect, be supplying the zones of the others and no zone would reach the agreed standard, the so-called demarcation lines must be maintained. The maintenance of these lines, however, unquestionably is a severe handicap to the revival of the Austrian economy. In an effort to reduce that handicap, the Allied Council, on 22 January, agreed to encourage the free exchange and movement of available surplus goods and services between the various zones of occupation in Austria and authorized the central Austrian Government to utilize such available surplus goods and services for movement within Austria or for export transactions as that Government may deem necessary, subject to any regulations prescribed by the respective zone Commanders-in-Chief and decisions of the Allied Council. The determination of what constitutes a zonal surplus will be the responsibility of the Power occupying the zone in which the surplus exists. The preparation of the lists of available surpluses in the U.S. Zone was under way at the end of the month.

The implementation of this action of the Allied Council should materially improve and accelerate the rehabilitation of Austrian economy.

SURVEY OF MILITARY AND PARA-MILITARY ORGANIZATIONS

Early in January, representatives of the Quadripartite Military Division started the work of ascertaining the facts.

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concerning certain alleged military and para-military organizations within Austria in accordance with the Allied Council decision of 10 December 1945 that the Austrian Government should take action to achieve complete demilitarization within one month.

This work was vigorously pressed, visits were made to each of the four zones. The Quadripartite Investigating Committee had practically completed its survey by the end of the month and it is expected that its report will be considered by the Allied Council early in February.

DENAZIFICATION

The number of arrests under the denazification policies between 28 December and 27 January amounted to 495, bringing the total number of arrests made in Austria to 10,256. Under the release policies initiated in December of last year, 227 internees were released during the month of January.

On 20 January the Austrian press announced that the Central Government had taken the initiative in the denazification of the Central Government by setting up a committee, including the Chancellor, the Vice Chancellor and several other members of the Cabinet, to remove Nazis from the three top ranks of the civil service in the Central Government, within the space of three weeks. The Committee went to work actively and by the end of the month had already removed or dismissed more than two-hundred persons, some of whom had never appeared at their posts since the occupation started but were still nominally on the rolls. The Government plans that once the three highest grades have been denazified to proceed with a purge of the lower grades, not only in the Central Government but throughout the provinces and then to do the same with the economic machinery.

Through its Denazification Bureau, the Quadripartite International Affairs Division is following closely the work of denazification by the Austrian Government.

VIOLATIONS OF THE FREE PRESS DIRECTIVE

On 1 October the Allied Council granted freedom to the Austrian democratic press, subject to certain conditions pertaining to the status of Austria as an occupied country and the eradication of Nazi, pan-German and militaristic ideology and doctrines. Since that time there has gradually developed a tendency on the part of some of the Austrian press to ignore those conditions and there have been a few outright violations.

On 30 January the Allied Council considered a report from the Quadripartite Political Division on this situation. It was decided to send a letter to all Austrian editors reminding them of the conditions attached to the Council's decision of 1 October 1945 and to the apparent lack of appreciation of the res-

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possibilities thereby laid upon Austrian editors. A special letter was sent to the editors of publications which had published the most objectionable articles.

DANUBE NAVIGATION

The Danube River is one of the chief transportation arteries for both internal and foreign Austrian trade. Transportation was at a standstill, however, from the beginning of the occupation until the winter weather closed the river. It is obviously important in rehabilitation of Austrian economy that such transportation be resumed as soon as remaining physical obstacles are removed and the weather permits. The physical obstacles are, however, relatively less difficult than those arising from the fact that the Danube is an international as well as local traffic artery with many far reaching diplomatic ramifications.

In order, if possible, to expedite agreement upon resumption of navigation within the near future, the Allied Council on 22 January agreed that each Commander-in-Chief draw the attention of his Government to the advantages which would accrue if these Governments would authorize their representatives in Vienna to seek a solution of the question and to make, without delay, proposals for a provisional "modus vivendi".

MILITARY MISSIONS

During January the Yugoslav Military Mission arrived in Vienna and was formally presented to the Allied Council at its meeting on 22 January. At the same meeting the Council granted permission to the Greek and Netherland Governments to send similar military missions to Austria.

RESTITUTION AND ALLIED CLAIMS TO GERMAN PROPERTY IN AUSTRIA

The first forward step towards the solution of the complicated problem of Allied claims to German property in Austria under the Potsdam Agreement was taken during the month when the Allied Council reached an agreement to examine concrete cases involving particular types of German assets in Austria if parts of such assets were located in more than one occupation zone and there was doubt as to their being German.

The Council also agreed on 30 January to have the Executive Committee, acting through the Quadripartite Reparations, Deliveries and Restitution Division, prepare a concrete, detailed plan for the restitution of United Nations property and begin the examination of the lists of properties in each zone already submitted by the respective Commanders-in-Chief to each other. In an attempt to reveal the presence in Austria

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REPORT OF U. S. COMMISSIONER

of property looted from occupied countries, it was also agreed to prepare an ordinance requiring the possessors of such property in Austria to declare it to the Allied authorities.

UNRRA AID FOR AUSTRIA

Direct negotiations between the Austrian Government and UNRRA Representatives with respect to the conditions under which UNRRA would aid Austria were authorized and started during January. Agreement was reached to ship in 8,000 tons of wheat during February as part of the emergency UNRRA relief program. Progress was also made in studies of the problems involved in setting up the supply lines and providing for security during transit between the ports and Austria and control of the program by the Allied Council.

DECREEES AND LAWS OF THE AUSTRIAN GOVERNMENT

In addition to the 248 laws and decrees of the Austrian Government which have been acted upon by the Allied Council in 1945, 33 more were approved in January, unchanged, while 7 were approved subject to amendments and 2 were ordered repealed during the month of January. At the end of the month the Quadpartite Legal Division had practically become current in its work and was ready to give prompt consideration to new legislative proposals of the Austrian Government. A survey was made to determine what action had been taken by the Austrian Government to comply with the requirements imposed by the Allied Council concerning Austrian legislation. It was found that in most cases the desired action had been taken and that in the remainder it was in process. The Chancellor was instructed to make periodic reports of progress on all actions directed to be taken by the Allied Council.

PROGRESS OF THE ALLIED CONTROL AUTHORITY AND CONTROL MACHINERY

The Allied Control Authority and Control Machinery continued to function effectively during January in accordance with the operating procedure already developed, but as was to be expected the total of constructive achievement was lower than in December when the new Government was approved and organized and the currency conversion executed.

AUSTRIAN GOVERNMENTAL ORGANIZATION AND PROGRESS

Chancellor Figl's Government appears to be functioning well and its aggressive action with respect to denazification of the higher grades in the civil service is definitely encouraging with respect to a difficult and most important policy

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The Parliament, except for emergency legislation, has so far not turned out many laws. It is at work on a broad program and results may be expected to appear during February.

CURRENT HIGHLIGHTS

POLITICAL

Political activities were primarily concerned with the recognition of the new Austrian Government, and the subsequent accrediting of representatives; consultations on such matters as the establishment of international telephone and telegraph communications, Austrian press activities, and the accrediting of military missions. Arrangements were made with Austro-Americans concerned with the promotion of cultural and economic relations between the two countries.

INTERNAL AFFAIRS

A Ministerial Committee, supervised by a Quadripartite Bureau, has been established and has begun denazification activities in Austrian State and Economic machinery.

General health is improved, and no epidemics are evident.

CIVILIAN SUPPLY

More than 36,000 net long tons of Civil Affairs - Military Government supplies were received during the month.

ECONOMICS

The economic situation improved considerably, and progress was made in consummating quadripartite agreements to aid the economy. An Allied Council decision during the month to allow free movement of surplus indigenous goods over zonal boundaries alleviated the situation somewhat, but zonal demarcation lines, together with a lack of negotiable foreign exchange, remains major problems.

Industrial activity has been stepped up to 20% of normal in the U.S. Zone. The overall Austrian food situation remained serious. The UNRRA emergency program did not materialize, and substantial UNRRA supplies are not expected before 1 May.

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REPORT OF U. S. COMMISSIONER, CURRENT HIGHLIGHTS

DISPLACED PERSONS

Displaced persons in the U.S. Zone increased by 6,099. Although 10,423 persons were repatriated, 16,000 others were uncovered in the area. Initial shipments began on the removal of 125,000 Sudeten-Volksdeutsche from the U.S. Zone.

UNRRA activities expanded to the point of full administration of sixteen camps, and partial administration in five more.

The American Red Cross distributed 134,961 food parcels and 25,049 items of clothing to Displaced Persons.

LABOR:

A compulsory labor service law was introduced in the Austrian Parliament.

The Nazi Arbeitsbuch was replaced by a simple work identity card.

Employment was maintained at a high level, and unemployment dropped to a new low.

A new and democratic Social Insurance law was submitted by the Austrian Government.

REPARATIONS, DELIVERIES AND RESTITUTIONS

Four hundred and six additional properties of all types were taken under control. Most of the important industrial and real estate holdings subject to control are now being administered and protected.

The Library of the German Archeological Institute and the Hertziana Library were returned to Italy. The Crown Jewels and Coronation Regalia of the Holy Roman Empire were restored to the Austrian Government.

LEGAL

During the month, 34 laws of the Austrian Government were considered by the Quadripartite Legal Committee. Of these, 26 were approved without qualification, six were approved subject to specified amendments, and two were required to be repealed.

MILITARY

The Inter-Allied Military Commission inspected the four

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occupation zones for existence of Austrian military and paramilitary formations, and prepared a report for submission to the Allied Council.

NAVAL

Removal of enemy minesweeping gear from depots at and near Linz was completed.

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LIBRARYFolder JL-33051FUNCTIONAL REPORTSPOLITICAL DIVISIONSYNOPSIS

Acting principally in an advisory capacity, the Political Division consulted and advised other Divisions on those current matters which affected or were affected by the policy of the United States towards Austria. Close liaison was maintained with the Political Divisions of the other occupying powers.

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RECOGNITION OF NEW AUSTRIAN GOVERNMENT

On January 7 a public announcement was made of the recognition by the Governments of the four occupying powers of the new Austrian Government, subject to the supreme authority of the Allied Council.

In communicating the recognition of the Austrian Government by the United States, General Clark conveyed the following message to Chancellor Figl and President Renner:

"I take pleasure in informing you that my Government has authorized me to advise you that it recognizes the present Austrian Government formed as a result of the national elections of November 25, 1945, subject to the supreme authority of the Allied Council."

APPOINTMENT OF FOREIGN REPRESENTATIVES

Subsequent to the recognition of the Austrian Government it was announced that the United States Political Adviser was also designated as the United States Political Representative to the Austrian Government with the personal rank of Minister.

The following week it was also announced that the President of the United States had approved the acceptance of an Austrian Representative in the United States to be concerned with those relations between the United States and Austria which do not affect the supreme authority of the Allied Council.

Similar exchanges of representatives between Austria and Great Britain, France and the USSR were also announced.

MILITARY MISSIONS

The desire of the Greek and Netherlands Governments to accredit military missions to the Allied Council was noted by the Council. It was decided that its members would ask their respective Governments to inform the Greek and Netherlands Governments that the Council would accept such missions in accordance with the general rules already established regarding military missions.

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POLITICAL DIVISION

ACTIVITIES OF THE AUSTRIAN PRESS

This Division, in cooperation with Political Divisions of the other occupying powers and with the informational services branches of the four powers, was occupied with a study of press activity under the Declaration of 1 October 1945 regarding freedom of the democratic press in Austria.

Steps were likewise taken to make a study of the activities of theaters and other public entertainment in Austria, along lines similar to the steps taken to study the Austrian press, with a view to the elimination of Nazi influence and the maintenance of democratic principles.

AUSTRO-AMERICAN SOCIAL AND CULTURAL RELATIONS

A "Society for the Promotion of Cultural and Economic Relations between Austria and the United States of America" held a formal opening ceremony on January 6, 1946, at which General Mark W. Clark made an address. The Political Division had previously thereto been in consultation with the founders of the society regarding the details of its organization and its contemplated activities. The Division was likewise concerned with promoting arrangements looking to the formation of an Austro-American club and with similar arrangements looking to the revival of the Austro-American institution of education.

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135JAG Law LibraryFolder JIL-33051**INTERNAL AFFAIRS DIVISION**SYNOPSIS

The Internal Affairs Division, through its several branches, devoted much of the time during the month of January to devising ways and means to assist governmental agencies in carrying out more fully normal responsibilities.

The application of the policy of supervision rather than direct action and the provision of means to public agencies to carry out by themselves their pertinent functions was given greater emphasis.

The prospects of early denazification of the Austrian State and Economic machinery became brighter upon the appointment by the Chancellor of a Ministerial Committee charged with that responsibility. The Quadripartite Denazification Bureau, acting under the Committee of Chiefs of Internal Affairs, is generally supervising this work for the Allied Council.

Considerable study has been given by this Division, in coordination with the Assistant Chief of Staff, G-2, to the measures necessary for the fulfillment of denazification responsibilities with regard to the application of the Austrian Prohibitory Law (No. 13) and other relevant laws. A new directive on the matter is now in preparation.

Welfare activities during the month of January were considerably increased. Such measures coupled with the activities of the Public Health Branch have been rewarded by the absence of any disease epidemic and in an improved general health ratio.

The aid rendered by the Communications Branch assisted in the reestablishment of international mail service, and of public radio telegraph facilities to New York, Paris, and London. These services will bring Austria's communication with other nations more nearly back to normal.

The measures taken by the Public Safety Branch in supplying Austrian police and fire departments with clothing and equipment helped raise the efficiency of these agencies. The personnel problems of these departments are on the way toward solution.

The continuing survey of the educational system of Austria by the Education Branch brings more clearly into focus the problems to be solved before desirable standards of pedagogy are reached and Nazi ideology is fully eradicated. The solution of such problems is the responsibility of the Austrian authorities; however, the personnel of the Education Branch is lending substantial aid and is acting in an advisory capacity.

The detailed reports of the seven branches of the Internal Affairs Division follow:

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135JAG Law LibraryFolder JIL-33051INTERNAL AFFAIRS DIVISION ADMIN. & LOCAL GOVT.SYNOPSIS

During the month of January, the Branch undertook several new projects intended to aid in the performance of its assigned mission of observing, reporting and recommending on the performance of local government and administration by Austrian government agencies. The period of U.S. Chairmanship of Quadripartite Committees caused increased activity on the Quadripartite level and brought about numerous contacts of Branch personnel with the Austrian Federal Ministries of Interior and Justice, respectively. The Chief of Branch served as chairman of a special Quadripartite Committee on Election Frauds and prepared a proposal for expediting the inspection of election lists in the provinces to detect election frauds. An investigation was undertaken to determine what progress had been made by the Austrian government in holding local elections throughout the nation. It was the stated intention of the local government authorities to hold these elections about 1 February 1946, but nothing was done. An investigation was made of the validity of the boundaries of the election districts in the city of Vienna used in the National Election of 25 November 1945. An investigation of the present status of a minor political party in the U.S. Zone was also carried out, and recommendation thereon made to the Land Military Government of Upper Austria. At the Federal government level, conferences were held between Branch personnel and Austrian officials regarding the development of training programs for Austrian civil servants throughout the U.S. Zone and U.S. Area, Vienna. A review of the problem of retrieving qualified Austrian displaced civil servants was completed, with recommendations for action. A review of the three civil service laws approved to date by the Allied Council was completed.

GENERAL

It was necessary for the Branch to reestablish contacts with many of the offices of the Austrian Federal government which had been reorganized by the new Austrian government under Chancellor Figl during the previous month. In some Ministries, notably Interior, the reorganization changed responsibilities for performance of local government functions from one department to another, and replaced key officials with new appointees. The reorganization of local governmental functions at the Land level in the U.S. Zone was also studied in order to keep informed of current operating procedures in the field.

It is expected that more and more of the emphasis on the conduct of local government will shift from Vienna to the field in the near future, due to the reassertion by the Lander of their previous semi-independent status in local government matters. For example, the holding of purely local elections at the Stadt or Gemeinde level is primarily a Land matter, and cannot be closely controlled by the Federal government at Vienna. In addition, the national census which it is proposed be taken in the immediate future, must, by Austrian law, be executed by the individual Land governments under the direction of the Ministry of the Interior in Vienna.

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CIVILIAN SUPPLY DIVISIONREQUIREMENTS

A six month's medical program previously submitted to the War Department was approved and a letter was sent to TSFET calling forward the amounts approved. These medical supplies cover the needs for the period January through June in the U. S. Zone.

QUADRIPARTITE ACTIVITY

The United States Element held the Chairmanship of the Food, Agriculture, Forestry and Fisheries Committee for the period 15 January to 31 January inclusive. During this period three committee meetings were held.

A working party consisting of representatives of the four occupying nations was formed to plan and conduct a program for the improvement of forestry throughout Austria.

The Food, Agriculture, Forestry, and Fisheries Committee began a study of changes in policies and procedures which are considered as prerequisites to the raising of zonal economic barriers.

The Austrian State Minister of Food addressed the Food, Agriculture, Forestry, and Fisheries Committee and outlined the problems which confront his Ministry. The Minister expressed deep concern over the food situation in Lower Austria and urged that UNRRA aid be brought to that area at the earliest possible date.

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ECONOMICS DIVISION

SYNOPSIS

Austrian economy showed a slight improvement during January. Step by step industrial activity is being consolidated and revived. The people seem to be gaining confidence in the new currency.

The flow of trade both within and outside the country, is still insignificant. Stocks of indigenous food and industrial materials neared the point of exhaustion. The most encouraging feature remains the steady progress made in economic negotiations, both on a quadripartite level and with other nations.

PRICE CONTROL AND RATIONING

The most significant action affecting the administration of price controls by the Austrian government, and supervision of that administration by the Allied powers was the agreement of the Quadripartite Allocation, Rationing, and Price Control Committee that the Austrian government be required to submit to the Committee proposals concerning the general principles constituting a price control policy, the criteria for determining price increases of individual commodities, and a uniform subsidy policy for Austria. The Committee agreed that there must be agreement among its members on these matters as well as a common understanding between the Committee and the Austrian government regarding such subjects. The importance of such a fundamental step in securing a well considered price policy, uniform for Austria as a whole, cannot be over-emphasized. The development of rationally related price levels in the different occupational zones which should follow the adoption of a uniform price policy for all Austria would eliminate one of the difficulties to relaxing the zonal demarcation lines.

Ration controls continued substantially unchanged.

ALLOCATIONS

The Allocations Branch continued to deal with the allocation of critical materials in the American zone, on a unilateral basis. There was no quadripartite allocation whatsoever, since there has been only one meeting of the Quadripartite Allocation, Rationing, and Price Control Committee, as a result of which a question arose concerning the competence of the committee to make allocations. The Economic Directorate studied the functions and activities of the Allocation Committee particularly with a view toward establishment of a parallel Austrian Allocation Board.

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51ECONOMICS DIVISIONSYNOPSISTRADEInternal Trade

Interzonal trade received considerable attention from the Allied Council by its adoption of a resolution to facilitate free exchange of surplus goods among the various zones of occupation in Austria.

Foreign Trade

Foreign Trade continued to decline due to the reorganization of the Warenverkehrsbüro as the central licensing agency of foreign barter transactions for Austria and the new policy of Quadripartite approval for all licensed contracts. The standstill of trade with Germany continues. It is expected that an appreciable increase in foreign trade will result now that interzonal trade barriers have been somewhat relaxed.

The first official export transaction against negotiable foreign exchange was approved by the Quadripartite Trade Committee.

The Austro-Czech trade agreement, with some amendments, was approved by the Economic Directorate and forwarded to the Allied Council for ratification.

The Austro-Italian trade agreement was concluded and approval given by the Economic Directorate subject to final approval of the Allied Council.

A Polish Trade Delegation is expected in Vienna shortly.

PUBLIC UTILITIES AND PUBLIC WORKSElectric Power

The Public Utilities and Public Works Branch completed details for putting a revised electrical rationing program into operation. The plan consists of limiting consumption to 70% of the actual used up power during October, 1945. A total of 1,000,000 kwh daily from the Inn River plants are to be allocated to Austria in return for power exported to Germany from the French Zone. The total power generated in Austria during January, 1946 was 210,000,000 kwh, compared with 232,500,000 kwh for December, 1945.

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ECONOMICS DIVISION

SYNOPSIS

GAS

Gas service was restored to most consumers in Vienna. There was an increase of 50% in natural gas production in January, 1946, over December, 1945 due to the completion of the Neusiedl Plant in Lower Austria.

WATER AND SEWERS

Cold weather slightly hampered repair work on sewerage systems. To date, approximately 72% of the repair work has been completed.

Repair work on the water distribution system has been nearly completed, there being only 100 known breaks yet to be repaired. Per capita consumption of water at present is 53.9 gallons per day per person.

AGRICULTURE AND FORESTRY

Concentrated efforts were made to obtain the essentials for spring planting. There is at the present time reasonable assurance that labor, equipment and supplies, will be available in sufficient quantities to plant and harvest a crop in the U. S. Zone during the coming season.

Progress was made in the reestablishment of sound agricultural practices and of farm organizations, which will aid in the recovery of Austrian agriculture with priority given to food for human consumption.

INDUSTRY

Little progress was made in the rehabilitation of Austrian industry during the month, due largely to inability to replenish the rapidly diminishing stockpiles of raw materials and fuel and by the still existing "zonal barriers".

Efforts have been made by the Austrian Government, under supervision of ACA, to effect barter agreements with adjoining countries for needed materials. The success of these efforts has been limited. The inflow of critically needed raw and semi-finished materials has been insufficient to bolster the depleted stockpiles, or to any degree satisfy the existing needs of Austria.

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ECONOMICS DIVISIONSYNOPSIS

Steps have been taken to overcome these two major problems by both the Austrian Government and the Allied Elements through Quadripartite discussion and decisions.

The Industry Quadripartite Committee submitted an industrial budget to UNRRA. In this way it is hoped that large supplies of raw materials and fuel for Austrian Industry can be made available.

In addition to measures taken by the Austrian Government and to Quadripartite action, the Industry Branch prepared an Industrial requirements budget and submitted it to the War Department. This budget provides for raw materials, metals, chemicals, machinery, and machine tools necessary to carry out the industrial program, throughout the U. S. Zone.

One of the most promising indications of the ability of Austrian Industry to return to its former capacity of pre-war manufacture, is the progress that was made in the rehabilitation of the paper industry. It is estimated that at the present time the paper mills of the U. S. Zone of Austria are operating at approximately 67% of maximum capacity.

FUELS AND MININGCoal

Brown coal production in January, in Upper Austria, totaled 54,456 tons, a slight increase over December 1945 production and the highest production figure for any month since the occupation by U. S. forces.

Further shipments of iron ore to Czechoslovakia were made, a total of 8,506 tons having been shipped to date. No coke was received in return, although shipments from Czechoslovakia were reported as having begun on 3rd January, 1946.

Negotiations for Polish coal were suspended pending the arrival of a Polish trade delegation in Vienna.

POL

The POL situation continued to improve. The principal motor fuels, gasoline, Diesel, and also motor-oils are in good supply and no shortages are anticipated for the coming two months. On the other hand, the kerosene position became worse, no allocations being made for December, 1945 and January, 1946. Germany and Austria are at present practically out of kerosene.

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Industrial lubricants, until now not in great demand, have been supplied from stocks on hand and a few items have been produced at "Ebensee" Refinery in the U.S. Zone (Upper Austria).

MINING AND METALLURGY

Pyrite and the needs for pyrite, were discussed at great length in the Mining and Metallurgy Sub-Committee meetings. Surveys were made of possible deposits for exploitation. The monthly salt production figures showed a slight decrease. Through the Industries Committee pressure was brought to bear on the Austrian Ministry of Trade and Commerce to begin a reorganization of the Austrian Mining Department.

PRICE CONTROL & RATIONING

During January the administrative organization of the Austrian federal government and of the Lander governments in the United States Zone for establishing and supervising price and ration controls remained unchanged. Maximum prices in the United States Zone were maintained. And no price increases proposed by the federal Austrian government received quadripartite approval. The level of legal maximum prices remained constant. However numerous proposals for the increase of maximum prices were approved by the Austrian federal government, through its ministries and its special Office of Price Determination. These proposals were studied by the United States element, but from the proposals no rational plan of price policy and no consistent criteria affording a basis for price increases could be deduced. As a result no proposals were approved by the Quadripartite Allocation, Rationing, and Price Control Committee. It was apparent that an

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DISPLACED PERSONS DIVISION

SYNOPSIS

Policy

Effective 7 January staff responsibility for Austrian Refugees was transferred from the Displaced Persons Division to the Public Welfare Branch, Internal Affairs Division.

Summary of Status

Displaced Persons remaining in the U. S. occupied areas of Austria on 31 January numbered 200,726. Disarmed Enemy Forces in the same areas dropped to 26,064.

Summary of Repatriation

Displaced Persons repatriated in January totaled 10,243 and consisted of 5,464 Germans, 3,678 Sudetens and Volksdeutsche and 1,101 others.

Disarmed Enemy Forces repatriated to the U. S. Zone totaled 11,290 while 12,520 were transferred either to other Zones in Austria or to other European countries. A total of 4,410 Disarmed Enemy Forces were discharged within the United States Zone.

DISPLACED PERSONS

Current Status

On 31 January 200,726 Displaced Persons remained in the U. S. occupied areas of Austria. Of these, 37,310 are in Land Salzburg, 152,367 in Upper Austria and 11,049 in the American Zone, Vienna.

The above figures represent a net increase of 6,099 during the month. Since repatriations during the month totaled 10,243, it is evident that 16,342 additional Displaced Persons were uncovered during the period. Principal nationalities uncovered were 7,214 Volksdeutsche, 4,357 Germans, 1,557 Poles and 100 Jews.

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1353A6 Law LibraryFolder I L-33051**DISPLACED PERSONS DIVISION****REPATRIATION**

UNRRA increased camps under its full administration in the United States Zone to sixteen, and UNRRA personnel operate in five others, with military assistance. UNRRA has also initiated a tracing service, working in close cooperation with the No. 1 Tracing Bureau for Austria established in Vienna by the British Red Cross. Vocational and educational rehabilitation programs are active in all camps.

The inspection team from this Headquarters regularly inspected Displaced Persons camps throughout the Zone.

The relief program of the American Red Cross continued to expand during the month. The project of distributing food parcels and clothing to Displaced Persons outside of camps was successfully initiated. Of 134,361 food parcels distributed during the month, 50,000 went to out-of-camp Displaced Persons. Of 25,049 items of clothing distributed to Displaced Persons and persecuted minorities, 10,000 went to persons outside of camps. Medical supplies amounting to 35 tons have been made available to Displaced Persons camps. American Red Cross stockpiles of food parcels are sufficient to carry through to the end of May.

Repatriation

From 10 May 1945 to 31 January 1946, 475,174 Displaced Persons of all nationalities have been removed from the United States Zone in organized repatriations. This total represents 70.3 percent of the total number of Displaced Persons uncovered during the same period.

Displaced Persons repatriated during the month of January numbered 10,243. Again, the largest number, 5,464, were Germans. But while this figure represents the residue of the total of 161,253 Germans repatriated since organized movements began, more important was the beginning of the vast program to remove over 125,000 Volksdeutsche and Sudetens from the United States Zone and the American Zone, Vienna. Initial shipments in this category amounted to 3,678 persons during the month.

The Repatriation section of this Division is acting as the coordinating office not only for movements of Displaced Persons and Disarmed Enemy Forces into and out of Austria, but also for movements of Hungarians from Germany to Hungary, and for German minority movements from Hungary and all other Zones of Austria to the United States occupied Zone of Germany.

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FINANCE DIVISION

SYNOPSIS

Throughout January black market prices for gold and foreign currencies remained lower than they had been at any time prior to the conversion. As of the end of December net advances of Allied Military Schillings to United States Armed Forces were 100 million schillings but in January, Army Finance Offices turned in, or prepared to turn in, holdings of Allied Military Schillings of about 247 million schillings. Thus United States Forces turned back to Army Finance Offices 147 million schillings more than they drew. The retirement of the emergency issue of Hilfsbanknoten, put out by German authorities in the period immediately before the entry of the United States Forces, was completed. Study of the draft law on Foreign Exchange Control is now in process. In special cases Austrian branch offices of German insurance companies are now being authorized to write new insurance. Instructions dealing with payment of Military Government court fines and bails, have been issued.

CURRENCY

During the past month it has become possible to gauge the efficiency of the conversion operation as an anti-inflationary device. However, the primary purpose of the conversion was to effect a financial separation of Austria from Germany and to stop the continued flood of Reichmark currency into Austria.

One indication of the true value of the Schilling currency is its worth in buying, on the black market, foreign currency in which there is complete confidence. The table below gives black market prices for gold, U.S. dollar, British pound, and Swiss franc:

<u>Date</u>	<u>Gold-14K. per gram</u>	<u>U.S. Dollar</u>	<u>British pound</u>	<u>Swiss Franc</u>
31 Aug.		350	800	95
30 Sept.	100	200	450	60
31 Oct.	130	260	450	65
24 Nov.	240	400	600	90
28 Dec.	100	160	270	45
5 Jan.	90	140	190	35
12 Jan.	100	155	180	43
19 Jan.	100	190	230	50
26 Jan.	90	185	250	50

It is to be noted that as of the end of January black market prices were lower than at any time prior to the conversion. The immediate results of the conversion had been to drop black market prices for foreign currencies by well

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FINANCE DIVISION

CURRENCY

over 50% from the figures as of the end of November. This reverses the tremendous rise that resulted during the first two weeks of December after the conversion program had been announced. There was, in January, some rise in prices of foreign currencies which may be explained primarily as the result of increased public knowledge about the announced schillings released for the occupation forces.

The original estimate of the Austrian Ministry of Finance, on the civilian circulation in Austria, 7,000 millions of Reichsmarks and 1,000 millions of AM Schillings, has not been changed as a result of further detailed reports. As soon as reports on military conversion are available for release, it will be possible to give an accurate total of the currency circulation of Austria.

The fact that small denomination Reichsmarks retained their legal tender status in Austria has made possible the continued importation of such notes, particularly the 5 mark note. The Austrian National Bank has begun the printing of 5 schilling notes of Austrian National currency and has prepared plans for the minting of 2 and 1 schilling pieces. When these have been completed, the withdrawal of all Reichsmark currency can be effected.

Austrian National Schilling Currency - The production of Austrian National currency to reach the agreed total of 6,000 million schillings is proceeding on schedule. Weekly data on the production of the new schilling currency is shown in the following table:

Denominations
(in millions)

<u>Date</u>	<u>1000</u>	<u>100</u>	<u>50</u>	<u>20</u>	<u>10</u>	<u>Total</u>
24 Nov.	263	1915	--	545	231	2954
29 Dec.	964	2062	--	729	581	4316
5 Jan.	964	2443	--	628	580	4615
12 Jan.	964	2443	--	755	630	4792
19 Jan.	964	2443	12	759	708	4886
26 Jan.	964	2443	107	774	722	5010

U.S. Austrian Currency Section - As reported in the December 1945 report, the U.S. Austrian Currency Section held 83,800,000 Austrian National schillings of this original drawing of currency. Of this amount 1,600,000 schillings was deposited to a special sub-accountant bank account for the purpose of redeeming Military Government vouchers paid by army finance officers and advances made to UNRRA. Remaining holdings of currency were deposited to a bulk currency account with the Austrian National

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FINANCE DIVISION

GOVERNMENT FINANCE

The Ministry of Finance has indicated that the Austrian government is prepared to recognize the total debt owed to foreign individuals and governments by the former Austrian Republic. At present, however, there is no definite plan for servicing this debt, which, at the end of 1937, amounted to about 1700 million schillings computed at the exchange rate as of that date. The largest sums are owed to France, Britain, Switzerland, and United States, with several other countries holding parts of this debt. The Austrian government is willing to make assignments in schillings equivalent to the amount due but cannot make any transfer because the payments are due in foreign exchange, not in schillings.

Control of Government Budget in the U.S. Zone - Until 31 December 1945, control of the Austrian budget in the U.S. zone was the responsibility of the Finance Division, this Headquarters. This control was effected through Military Government Finance Officers, who had disposition of all Austrian governmental funds, including accounts in the banks. Any expenditure made by an Austrian government agency, except local governments, had first to be approved by a Military Government Finance Officer.

In anticipation of a unified control over the entire Austrian budget, particularly that of the central government, the Quadripartite Public Finance Sub-Committee, in November 1945, requested the Ministry of Finance to make preparations for such unified control. The Ministry of Finance was very anxious to take over control of the State accounts and the responsibility of approving funds for expenditure in the three western zones of occupation. In the Soviet zone it had been exercising these functions from the beginning of Russian occupation. The Ministry of Finance was notified that as of 1 January 1946 responsibility for financing of government in the zones would be handed over to it. Before doing so, however, the Ministry was asked whether it would be able to carry out its responsibility. It gave definite assurance that it would be able to exercise the necessary control.

From 1 January 1946, all authorizations for expenditure for Austrian governmental functions in the U.S. zone have been made in principle directly by the Ministry of Finance. Actually, however, the Ministry of Finance has not been able to secure complete control over the expenditures of either the field offices of the central government of the Laender in the U.S. zone. The Ministry felt itself compelled to request the civilian finance agencies, which formerly had done this work for Military Government in the Zone, to continue making the necessary allotments to the various governmental agencies as they had done previously.

Payment for occupation costs - On shifting the control

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FINANCE DIVISION**GOVERNMENT FINANCE**

over the budget to the Ministry of Finance at the first of the year, both the control and actual administration of payments for supplies and services furnished to the U.S. Forces were retained under the Military Government Finance Officers. Payment for such supplies and services are made through three Pay Offices set up for this purpose in Salzburg, Linz and Vienna.

Pending issuance of instructions from the U.S. Government as to what may be included under occupation costs, this Division has had to issue its own instructions and to authorize payments on the basis of these instructions so as to alleviate hardships to individuals and businesses as a result of requisitions by U. S. Forces. Payments have included rentals for billets, wages for civilian labor, and payments for supplies and other services used by the U. S. Forces.

There has been considerable difficulty in separating expenditures incurred by the U. S. Forces on occupation account and for purposes incident to the occupation. The guiding principle in authorizing payments for requisitions on occupation account has been to determine whether the supplies and services requisitioned were "necessary and ordinarily in use in the military service," and whether they were, "for the benefit of the U. S. Forces in Austria". For example, lumber requisitioned for the purpose of erecting an inclosure to protect U. S. Army equipment has been classified as a proper occupation charge. Lumber requisitioned for erection of a Displaced Persons camp, however, is not considered a proper occupation charge, as its use is not for the benefit of the U. S. Forces.

The cost of occupation also includes expenditures made by the U. S. in the form of troop and other personnel pay, which is not paid out in local currency. Further, it includes all supplies furnished by the U. S. from sources other than in Austria. Computation of all these expenditures has been proving a most difficult problem, as the information needed is fast slipping away with the redeployment of Army units. It is anticipated, however, that an estimate of the total cost to date will shortly be completed.

Revenue receipts and expenditures in the U.S. Zone - No exact statistics of receipts and expenditures for the entire zone during the occupation have as yet been compiled. Indications are that the deficit for the period 1 April to 31 December 1945 was considerably less than anticipated in the early days of the occupation. This period covers the first nine months of the German fiscal year. Somewhat over a month of it, however, falls outside of the period of occupation, and the civilian authorities have found it difficult to separate the accounts into pre- and post-occupation periods. It has already been established, however, that much of the deficit accruing in these nine months were incurred in the pre-occupation period when the revenue offices showed practically no receipts.

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1352nd Law LibraryFolder I L-33051**FINANCE DIVISION****GOVERNMENT FINANCE**

During the occupation period, a large part of the deficit was due to expenditures on the railroads and the postal system. Neither of these organizations had any revenues in the first months of the occupation, although the receipts of the postal system have gradually been increasing to such an extent that in the last two months of the year they exceeded expenditures.

Notwithstanding the dislocation suffered by the revenue agencies of the government as a result of their severance from the central financial authorities in Germany and their loss of qualified personnel, they have done a creditable job in the field of tax collection. In the entire zone, total tax collection during the nine months of 1945 was 63 percent of the collections in the corresponding period in 1944. This figure would have been higher except for the disappearance of a large part of the normal tax sources. As the following table shows, a large part of the 37 percent difference between collections in 1945 and 1944 is accounted for by the drop in receipts from the excises on tobacco products, beer and other beverages, and the war surtax on these excises. The reduction in receipts from these excises reflects the curtailment in production of the taxed commodities.

Receipts from income taxes were quite high. The income tax on wages (collected at the source) in 1945 amounted to 71 percent of the collection in the corresponding period of 1944. The tax on other incomes during the same period yielded 89 percent of the collections in 1944. This high rate of collection in the assessed income tax does not actually reflect the current rate of income. Considerable amount of these taxes was back taxes, part of which was paid in anticipation of the currency conversion and part as a result of the special efforts put out by the two regional revenue offices in Linz and Salzburg to collect taxes in arrears.

In the case of a few minor taxes, receipts in 1945 exceeded those of 1944. Apparently all these excess payments were due to payment of back taxes and payment of taxpayers who had found refuge in the American zone and who formerly paid their taxes in other zones of the country or in Germany. The latter explanation is also applicable to some extent to the high rate of collection in the assessed income tax.

Table regarding Tax Collection in the U. S. Zone of Occupation Austria is shown on the following page.

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FINANCE DIVISION

GOVERNMENT FINANCE

TAX COLLECTION U.S. ZONE OF OCCUPATION AUSTRIA

1 April to 31 Dec 1944 and 1945

(In thousands of R.M. or Sch.)

<u>Taxes & Excises</u>	<u>1944 (Estimated)</u>	<u>Percent of total</u>	<u>1945</u>	<u>Percent of total</u>	<u>Percent 1945 of 1944</u>
Wages	28,820	10.69	21,986	13.00	70.80
Assessed Income	52,376	19.44	46,359	27.42	88.50
Corporation	15,913	5.91	8,568	5.07	53.80
Property	3,759	1.40	3,982	2.36	105.90
Turnover Tax	24,782	9.20	16,473	9.74	66.40
Profits Tax	7,739	2.87	10,066	5.96	130.10
Trade Tax	20,744	7.70	15,147	8.96	73.00
Tobacco	29,296	10.88	12,834	7.59	43.80
Sugar	1,897	0.70	3,429	2.03	144.70
Salt	4,804	1.78	2,067	1.22	44.70
Beer	8,573	3.18	1,292	0.76	26.70
War Surtax on Excises	59,376	22.05	17,420	10.30	29.30
Other Taxes & Excises	11,327	4.20	9,482	5.59	81.94
TOTAL	269,406	100.00	169,105	100.00	62.70

Customs Service - The efficiency of the Customs Service in the U.S. zone has increased during the past few months. There are 247 persons employed by the Hauptzollämter in the entire zone, 239 of which are actually functioning on the international frontiers. It is anticipated that the full strength, estimated at 410 employees, will soon be available. Fragenbogen have been submitted for screening purposes in sufficient quantity to cover the 163 MAN-POWER deficit existing at present.

A Customs Law has not as yet been enacted under which customs duties could be levied. Such a law is presently being studied, and it is expected to be available in a short time. During this interim period the Customs Guards control the movements of foreign exchange items and see that no unauthorized goods pass across the borders. In this connection, their effectiveness is being impaired by the fact that neither they nor any other organization control the transportation of goods and other assets by Army personnel across the borders.

In addition to its normal functions, the Customs Guards assist the U. S. forces in border security measures at crossing points and in the operation of foot patrols.

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Foreign Credits for Loans - The Creditanstalt Bankverein, acting in behalf of ACRI Corp. (Austrian Cotton and Raw Materials Import Corporation), has inquired of this section regarding the feasibility of obtaining credits from the Export-Import Bank of Washington for the purchase of raw materials in the U. S. This matter has been the subject of previous discussions by the representatives of ACRI and the Economics, Political and Finance Divisions of this headquarters. In conjunction with the Political Division, it was recommended to ACRI and the Creditanstalt to submit an extensive list of raw materials and machinery for which the requested credits would be utilized. It was also pointed out that the proper channels for accepting applications for credit by the Export-Import Bank are the U. S. Consular Offices. In preparation of the eventual granting of credit by the Export-Import Bank to Austrian public or private institutions, a resolution assuring preference treatment to such credits over and above claims arising out of occupation charges and charges for relief imports was prepared for submission to the Quadripartite Finance Committee.

Austrian Foreign Exchange Assets - In connection with an announcement published by the Austrian National Bank in Vienna in several Viennese newspapers requesting holders of Czech and Slovak currency to report such holdings to the National Bank, similar announcements were made by mistake in newspapers in the U. S. Zone. The result of these announcements was that the Austrian National Bank in Vienna received numerous applications from persons residing in the U. S. Zone. Upon instruction from this headquarters, the Austrian National Bank in Vienna called the attention of the applicants to the fact that their holdings, if they exceeded 1000 schillings, constituted a violation of foreign exchange control regulations of Military Government Decree #4. It further informed them of their obligation to deposit such foreign currency with the National Bank offices in Salzburg or Linz. Lists of persons reporting holdings of Czech and Slovak crowns were forwarded to the National Bank branches in Linz and Salzburg with the request to accept deposits from the holders of such currency. It is proposed to take action against those persons who have violated the regulations of Military Government Decree #4, and not made use of the "period of grace" given to them until 31 January for the delivery of such currency to the National Bank branches.

Upon application of the Economics Division, this section has recommended the transfer of 5600 kg. of silver and 150 kg. of gold from Salzburg, where these precious metals are held in custody by Property Control, to two metal refineries in Vienna where they are urgently needed for the resumption of refinery activities for industrial purposes. The Mint Office of the Ministry of Finance has submitted a similar request for the transfer of precious metal, likewise held in the U.S. Zone, to Vienna. This request has been approved in principle and forwarded to R.D.&R. Division for concurrence and action.

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FINANCE DIVISION**FOREIGN EXCHANGE**

U. S. Zone - The Linz Branch of the Austrian National Bank has prepared and submitted a revised list of foreign exchange assets and liabilities on the basis of reports and deliveries according to Military Government Decree #4, as of 31 December 1945. This list shows a breakdown of foreign assets and liabilities by types and by countries. The results of the compilation are summarized below.

<u>CURRENCY</u>	<u>ASSETS</u>	<u>LIABILITIES</u>
RM	1,094,194,300	412,834,200
U. S. Dollars	57,900	65,900
Dutch Fl	162,900	
Swiss Francs	4,013,200	851,000
Polish Zloty	19,183,700	175,900
English L	32,566	4,077
Norwegian Crowns	154,300	400
Croatian Kona	133,440,500	
Romanian Lei	20,342,100	46,900
Czech Crowns	337,406,700	7,151,800
Austrian Schillings	235,300	200
French Francs	1,240,000	2,600,000
Austrian Crowns	1,134,700	
Austrian Fl	273,500	
Belgas	253,700	93,600
Danish Crowns	11,900	200
Canadian Dollars	2,100	
Bulgarian Lewa	7,280,000	
Egypt L	873	
Turkish L	1,140	
Fin Mark	1,500	
Italian Lire	1,670,400	
Serb Dinars	10,626,400	
Port. Esendos	266,900	129,100
Polish Marks	100,000	
Spanish Pesos	130,000	
Chilean Pesos	54,600	
Hungarian Pengo	271,713,200	2,900
Rubles	2,300	
Ukran, Karbowanez	988,000	
Albanian Francs	1,000	
Swedish Crowns		321,900
Argentinian Pesos	80,000	
Greek Drachna	1,500	
Ecuad. Sucres	223,000	3,500
Peruvian Soles	18,000	

The two international barter agencies, "Clearing-Treuhand", Salzburg, and "Warenverkehrsstelle", Linz, operating under the supervision of the Economics and Finance Divisions, continued their licensing activities during the month of January; but since barter transactions with Germany have been prohibited, and since the "Warenverkehrsburo" in Vienna has expanded its activities and negotiated barter agreements on a nation wide basis, only

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51TRANSPORT DIVISIONHIGHWAY TRANSPORT

were approved. Following is a statement of equipment and operations:

Summary of Equipment and Operations

<u>Surface Cars</u>	<u>Dec 31, 1945</u>	<u>Jan 31, 1946</u>
Motor cars in operation	430	491
Trailer cars in operation	703	762
Total	1133	1253
Kms operated per day per car	59,693	67,266
Kms operated per day per trailer	101,421	108,761
Total	161,114	176,027
<u>Elevated System</u>		
Motor Cars in operation	87	87
Trailer cars in operation	116	116
Total	203	203
Kms operated per day per car	24,108	24,108
Kms operated per day per trailer	32,144	32,144
Total	56,252	56,252

An 11% improvement in equipment in operation and a 9% improvement in kilometers operated daily by the street car service is shown. Lines which have been out of operation are being added monthly indicating good recovery.

Linz City System

An inspection of the Linz street railway and trolley bus operation indicates that recovery is being made. Reports on a detailed inspection will be included in later reports.

Salzburg City System

Inspection of the Salzburg street transportation system showed excellent recovery in trolley bus and gasoline bus operation. The garage facilities are complete and well managed. Of a total of 19 trolley busses available, 11 are operating and the 8 out-of-service are repairable. These will be placed in service as soon as needed spare parts are obtained.

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R. D. & R. DIVISIONPROPERTY CONTROLSYNOPSIS

The total number of properties now under control is 1307. The total properties now estimated as subject to control is 3310. Claims and inquiries from Allied Nationals are increasing.

The Crown Jewels and Coronation Regalia of the Holy Roman Empire were returned to the Austrian Government by the Commanding General.

Ten tons of records from the National Austrian Archives have been returned to Vienna.

No agreement has been reached on a Quadripartite level concerning either Reparations or Restitution.

The Library of the German Archaeological Institute and the Hertziana Library have been returned to Italian custody shipped to Rome.

PROPERTY CONTROLSynopsis

Four hundred and six additional properties were taken under control during the month of January. This brings the total to 1307, or 40% of the 3310 deemed subject to control (see Chart I), but includes most of the large industrial and real estate holdings.

A complete list of American properties in the French zone of occupation as known up to 1 January 1946 was submitted to the French Element. At the same time, a resume of action taken on inquiries concerning French properties in the American zone of occupation was prepared and transmitted to the French.

Considerable progress has been made in tracing ownership and securing signed statements as to the original discovery of many currency items, precious metals, art, and other objects.

General

Letters of inquiry and claims received for the month of January totaled 113. These were processed in the normal manner and sent to the various Property Control Officers for investigation and necessary action. The handling of claims was greatly facilitated by two working agreements formulated in January.

At a conference with the U.S. Consul-General in Austria it was arranged that his office should handle all the claims of American citizens for such items as insurance, pensions, accounts receivable and leases.

It was agreed with representatives of the Austrian Government that all claims of Austrian citizens would be referred

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to the Bundesministerium fur Vermoegenssicherung und Wirtschaft-splanung.

The following table illustrates the distribution of claims and inquiries according to nationality of the claimant and location of the property.

Claims and InquiriesJanuary 1946

<u>Nationality</u>		<u>Location by Zone</u>	
United States	80	United States:	
Czechoslovakian	11	Vienna	52
British	9	Salzburg	13
Netherlands	6	Upper Austria	27
Yugoslavian	2		
Austrian	2		92
Norwegian	1	Russian	10
German	1	British	8
Unknown	1	French	3
	113		113

In addition to the above listed claims, 47 additional claims were received on which the following action was taken.

- 25 were held pending clarification of citizenship status.
- 6 were referred to the Office of the Consul General in accordance with the arrangement outlined above.
- 3 were referred to the Bundesministerium fur Vermoegenssicherung und Wirtschaftsplanung, in accordance with the agreement outlined above.
- 13 were referred to other elements of United States Forces, such as the Property Control Officer for United States Forces in Germany.

Reports on the condition and status of property have continued to arrive from the Vienna and Land Property Control Officers. The percentage of property reported under control for which property register forms and allied papers have been received has risen to 65.8%, an increase of 14.8% over the prior month.

Additional properties in the following categories were taken under control in January:

Business Enterprises

Fifty-three properties in this category were brought under control; thirty-one in Upper Austria, seven in Salzburg, and fifteen in Vienna. Although Chart II would indicate that less than half of the properties subject to control have been

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R. D. & R. DIVISION**MONUMENTS & FINE ARTS**

taken under control, those so controlled represent the largest and most important.

Real Estate

Three hundred and forty-six real estate properties have been placed under control; two hundred and eighty-three in Upper Austria, fifty-four in Salzburg, and nine in Vienna. Of the total, 199 were properties of the Nazi Party, or ex-leaders thereof.

Movable Properties

Seven additional properties of a miscellaneous nature were taken into control. These consisted of one currency item, one art object, and five unclassified properties.

Additional information on the distribution of properties according to ownership, type, and location will be found in Charts I and II.

MONUMENTS AND FINE ARTS

Three operations of importance were brought to a conclusion during the month of January.

Crown Jewels and Coronation Regalia of the Holy Roman Empire

On 4 January the Crown Jewels and Coronation Regalia of the Holy Roman Empire were flown back to Vienna from Nurnberg. On 9 January they were handed over to the Austrian Government by the Commanding General.

Tibetan Collection of Sven Hedin

On 9 January the deposit at Schloss Mittersill, containing the Tibetan Collection of Sven Hedin, was finally cleared. The material is stored at the Property Control Warehouse at Salzburg.

Libraries of the Hertziana and the German Archaeological Institute

Authorization for restitution to Italy of art objects, libraries, etc., having been received from the State Department, two libraries, the Hertziana and that of the German Archaeological Institute, were started from Salzburg on their way back to Rome in 17 freight-cars, in charge of U.S. Military personnel accompanied by a civilian representative of the Italian Government.

Polish Art Deposit at Schloss Fischorne

The clearance of the Polish Art Deposit at Schloss Fischorne continued throughout the month and should be finished early in February.

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51R. D. & R. DIVISIONRESTITUTION

Further preparations to hand over the deposits in the Alt Aussee and Lauffen mines progressed during the month. Detailed inventories are being prepared for the transfer.

ARCHIVES

Ten tons of documents belonging to the Austrian National Archives were returned from the Salt Mine at Lauffen, Upper Austria, to Vienna.

A portion of these documents contained information concerning the early growth of Fascism in Austria, presently needed for the prosecution of Austrian war criminals. Also included were historical records consisting of the diaries and correspondence of several nineteenth century Austrian statesmen, and early nineteenth century reports on national and international political conditions made by Austrian agents for Prince Metternich and the Emperor.

Efforts are being made to unscramble the ownership of the books and files of the Comite Internationale du Bois (CIB) and the Centre Internationale de Sylviculture (CIS), so that they may be merged with the files and records of the Food and Agriculture Organization (FAO) of United Nations Organization (UNO).

REPARATIONS

Discussions of the complex problems of reparations as applied to German assets in Austria and the development of a practical policy as generally outlined by the Potsdam Protocol have been carried on at Quadripartite Division level. A number of obstacles, including the location of displaced personnel and records, essential to solution of the problem, has been encountered. While progress in the form of a definitive policy cannot be claimed at this time, the discussions on a quadripartite basis have produced an understanding of the respective points of view of the representatives of the occupying powers.

RESTITUTION

The development of a general plan for restitution has been in progress during the month. A plan prepared by the Quadripartite Division was returned by the Allied Council to be revised to include provisions for concrete cases typical of those which will be encountered in handling the restitution of the various types of property located in Austria.

Partial lists of looted property continue to be received from the various Allied Nations. Consolidations are effected as the properties are located. Deliveries will be made when there

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R. D. & R. DIVISION

RESTITUTION

are sufficient items on hand to justify inviting missions from the various nations to enter Austria for the purpose of completing arrangements.

JANUARY 1946

PROPERTIES UNDER CONTROL

as of 31 January 1946

CHART I

	Business Enterprises				Real Estate				Currency etc.				Art Objects				Other Properties				Total			
	Vienna	Upper Austria	Salzburg	Total	Vienna	Upper Austria	Salzburg	Total	Vienna	Upper Austria	Salzburg	Total	Vienna	Upper Austria	Salzburg	Total	Vienna	Upper Austria	Salzburg	Total	Vienna	Upper Austria	Salzburg	Total
United Nationals	15	6	8	29	9	40	56	105	1	2	3	3	1	2	3	1	3	2	6	25	51	70	146	
Austrian State		2		2		8	15	23		1	1			2	2			1	1		10	19	29	
Nazi Pty & Pty Leaders		82	16	98		493	75	568			3	3		1	1		1	3	4		576	98	674	
Other En. Gov. & Nationals		10	2	12		5	6	11		2	4	6		1	1		3	9	12		21	21	42	
Looted & Confis.							3	3		1	1	2			1		1		1		2	5	7	
German Govt. & Nationals		154	31	185		89	69	158			12	12						3	3		243	115	358	
Abandoned						2		2		1	2	3					1		1		4	2	6	
Other Uniden.			2	2		22	10	32		2	2	4					4	3	7		28	17	45	
TOTALS	15	254	59	328	9	659	234	902	7	27	34	34	2	6	8	1	13	21	35	25	935	347	1307	

R. D. & R. DIVISION

PROPERTY CONTROL

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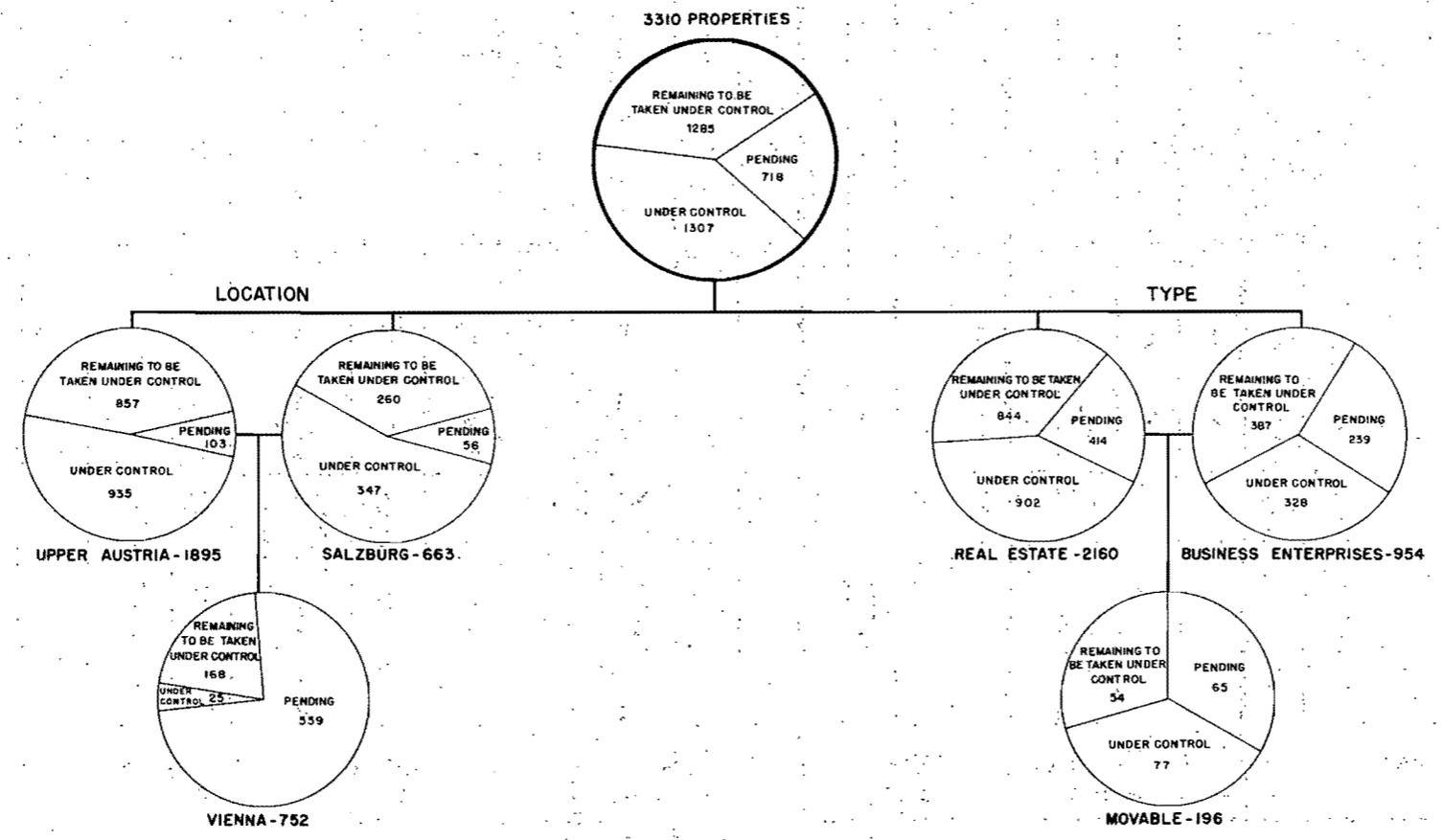
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R. D. & R. DIVISION

PROPERTY CONTROL

CHART II

STATUS OF PROPERTIES SUBJECT TO CONTROL 31 JAN. 1946



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AIR DIVISION

In its meeting on 28 January, the Quadripartite Air Division accepted the recommendations of the Policy Commission, for recommendation in turn to the Executive Committee. Recommendations were that the Austrian Government be instructed to dissolve the Aviation Bureau and that no aviation company could be set up without specific authority. It also agreed on a proposal to establish an interim policy for civil aviation in Austria. The proposal on routine flight clearances was not discussed as the dissenting member had not completed his consultations. The meteorological proposal, also, was not discussed.

AUSTRIAN AIR ACTIVITY

The headquarters of the Austrian Glider Club, ordered to be dissolved in December 1945, under provisions of an Allied Council directive, was closed, the gliders on the premises destroyed and the remaining equipment reported to Headquarters, USFA, for disposition.

Investigation revealed the existence of a students' glider section of the Austrian Glider Club, with a workshop and glider parts located in a building of the University of Vienna.

BALKAN AIR TRANSPORT

A conference was held by the Chief, Air Division, with representatives of agencies concerned, for the purpose of insuring adequate air service for the supply of United States diplomatic and military organizations stationed in Balkan countries. Establishment of weather and communications facilities for the safety of such aircraft as might be required was also discussed.

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VIENNA AREA COMMAND

SYNOPSIS

The crime rate in the American zone of Vienna shows a decided improvement. This favorable trend is largely due to the re-institution of civilian police motorized patrols, made possible by recent allocations of motor fuel. Additional patrols by the American Military Police have been instituted. Joint operations between the Military and Civil Police have begun.

Responsibility for the receipt, storage and issue of solid fuels was turned over to the Austrian authorities.

The electrical situation became much better during January as the result of deliveries of power from Bavaria.

Development of legislation providing for mandatory registration of employable persons should alleviate current labor shortages.

International mail service, re-instituted early in January, has proved to be a considerable source of revenue for Vienna.

1165 children were sent to Switzerland and 1875 to the American Lander for rehabilitation.

Large amounts of clothing were turned over by the United States Army to civilian agencies in the American Bezirks.

The general health of the population of Vienna remained comparatively good with no indications of impending epidemics.

VIAC HIGHLIGHTS DURING AMERICAN CHAIRMANSHIP

During January the Vienna Inter-Allied Command considered the qualifications of the proposed membership of the Vienna City Council as submitted by the Burgomaster, and approved the councillors.

Approval has been granted for the return to Vienna of the following:

19,000 Viennese DEF's from various camps in Austria,
130 former Viennese civil servants from British
surrendered enemy personnel camps in Germany.

During the American Chairmanship of Vienna Inter-Allied Command additional governmental responsibilities were placed upon the Municipality of Vienna in so far as its capabilities permitted. Response to these measures indicate increasing confidence and cooperation of the Municipal Government.

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REPORT OF U. S. COMMISSIONER



INTRODUCTION:

The two most important events in Austria during December, 1945 were the organization of the new national and provincial governments and the conversion of the currency into Austrian national schillings.

Other matters of importance were the development of an UNRRA emergency relief program; decisions by the Allied Council concerning the approval of more laws of the Government; and the authorization for the reopening of international postal, telephonic and telegraphic communications.

ORGANIZATION OF THE NEW AUSTRIAN NATIONAL AND PROVINCIAL GOVERNMENTS:

Following the announcement of the official election results, the Austrians selected Ing. Leopold Figl of the People's Party as Chancellor. He submitted a list of his proposed cabinet and a general outline of proposed cabinet policy to the Allied Council. The Allied Council approved both at its meeting on 18 December 1945.

Both houses of the Parliament organized on 19 December. Sitting as the Federal Assembly on 19 December, they elected Dr. Renner to the office of Federal President. The vote was unanimous for Dr. Renner except for one blank ballot.

The Federal President immediately designated Ing. Figl as Chancellor and swore in the Cabinet as approved by the Allied Council. The new Cabinet is a coalition of the three recognized parties in which each is represented approximately according to its parliamentary strength. The average age of the 17 members of the Cabinet is 47. The oldest member is 58 and the youngest 38.

Chancellor Figl presented his program to the Parliament on 20 December. It was accepted by all three parties. After acting upon certain legislation to implement decisions of the Allied Council, including an amnesty law for offenses committed against the Fascist and Nazi regimes, the Parliament recessed until the New Year.

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REPORT OF U. S. COMMISSIONER

The Provincial Governments were organized before the Parliament assembled in order to elect the members of the Federal Council, or upper house of Parliament.

CURRENCY CONVERSION:

The conversion of German currency and Allied military schillings into the new Austrian national schillings was made during the period between 13 and 22 December. The well-conceived plans of the Government were smoothly carried out by the officials and banks with good public cooperation. No reports of significant difficulties have been received. As of the end of the month, the analysis of the statistical data on the results of the conversion has not progressed sufficiently to permit drawing conclusions.

EMERGENCY UNRRA PROGRAM:

Because of the food situation in some parts of Austria the Allied Council on 10 December, requested UNRRA to expedite its program of delivery of food supplies so that certain quantities would arrive in January and February, 1946. This proposed emergency program also included requests for seeds, fertilizers and agricultural equipment which must be in the hands of the farmers for Spring planting in order to increase Austrian crops during 1946.

DISPOSITION OF LAWS OF RENNER GOVERNMENT:

The Allied Council during December gave unconditional approval to 31 more laws or decrees of the Renner Government, approved 17 more subject to the adoption of certain specified amendments, and required that 3 be repealed. The Allied Council also took note of the fact that 5 other laws were abrogated by the approval of the law for currency conversion.

As of 31 December, approximately 30 of the Provisional Government laws and decrees out of more than 250 remained in the hands of the Quadripartite Legal Commission for recommendation.

REOPENING OF INTERNATIONAL CIVIL POSTAL, TELEPHONES AND TELEGRAPHIC COMMUNICATION:

The Allied Council on 18 December authorized the resumption of international civil postal, telephonic and telegraphic communication with all countries, except Germany, Japan and certain areas formerly under Japanese occupation. Such communications will be subjected to Allied censorship. Noti-

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REPORT OF U. S. COMMISSIONER

ces have appeared in the Austrian press stating that international postal service will be resumed on 2 January 1946. It is anticipated that the wire communication will be resumed early in January after the completion of certain technical arrangements and formalities.

PROGRESS OF ALLIED CONTROL AUTHORITY:

No significant developments occurred in the progress of the Allied Control Authority during December.

AUSTRIAN GOVERNMENTAL ORGANIZATION AND PROGRESS:

Except for the transition from the provisional to the elected national and provincial governments mentioned above, the Austrian governmental organization and progress in December continued along the same lines as in the preceding month.

DE-NAZIFICATION:

During the month of December, 268 additional persons were arrested under the mandatory arrest categories, and a total number of 306 removals from public office were reported by G-2 agencies. Acting under the authority contained in JCS Directive 1369/6, paragraph 7.b, provisions were made during the month of December to begin release of certain categories of individuals no longer considered a menace to the accomplishment of our mission. A total of 137 were so released in December, and it is anticipated that the rate of release will be stepped up. On 18 December, the Allied Council approved the Austrian government laws for extension of de-Nazification throughout the whole of Austria after suitable amendments had been made. Dissatisfaction with the extent and rate of de-Nazification of the central government and the city of Vienna led both the Allied Council and the City Kommandatura to propose stringent measures of control. Procedures are now being worked out to supervise closely the Austrian de-Nazification program by Allied agencies.

CURRENT HIGHLIGHTS

POLITICAL:

Political activities during the month were particularly concerned with the formation of the new Austrian government

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REPORT OF U. S. COMMISSIONER. CURRENT HIGHLIGHTS

and with consultation on such matters as the extension of UNRRA activities to Austria, Austrian commercial agreements with neighboring countries, and the establishment of international postal communications.

LABOR:

Twenty-five leaders in the trade union movement were elected to Parliament.

The Austrian cooperatives, traditionally supported by the workers, are beginning to revive their activities.

The Ministry of Social Administration has issued a list of labor priorities which is to guide the labor exchanges and Bezirk priority boards in making placements of workers and employees. Principal object is to assure the safeguarding of food supplies and utilities and the completion of important construction work.

The Inter-Allied Wage Control Board is fully established, and coordination of Austrian control machinery is being set up in the Ministry of Social Administration.

DISPLACED PERSONS:

With the advent of severe weather conditions repatriation of displaced persons has been reduced to a minimum. December repatriations accounted for less than 2 percent of the total displaced persons moved out of the United States Zone since the initiation of organized repatriation. Outside of the large Sudeten-Volksdeutsche group we are reaching the "bottom-of-the-barrel" as far as repatriable displaced persons are concerned.

The eventual disposition of 40,000 United Nations and Stateless displaced persons and the removal from the United States Zone Austria of some 120,000 Sudetens and Volksdeutsche are still problems.

The daily ration scale of 2500 calories for United Nations and Stateless displaced persons initiated in November was maintained during December, and in addition the American Red Cross distributed a special food package during Christmas week.

UNRRA now has nineteen teams operating in the Zone and actually administers twelve displaced persons camps.

FINANCE:

After more than four months of preparation, during the period 13 to 20 December, the long awaited currency conversion

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was finally accomplished. The terms of the Schilling Law of 30 November provided that each person in Austria had to turn in at a Presentation Office all of his holdings of Reichsmarks and Allied Military Schillings in denominations of 10 marks or schillings or higher. In exchange, each individual was given only 150 new Austrian National Schillings and the remainder could be credited to a blocked account. On 23 December a decree was issued releasing part of this blocked amount and making it available for transfer purposes. Details of the currency conversion operation are included in the Finance Division Report.

REPARATIONS, DELIVERIES AND RESTITUTION:

Additional properties of all types taken under control during the month of December amounted to 312. This brings the total to 901, or a little more than 50 per cent of all properties in the U. S. Zone subject to control.

The Smolensk University library was returned to the U. S. S. R.

The library of the German Archaeological Institute is awaiting shipment to Italy.

An exhibition of about 100 masterpieces of art in the Hofburg was opened by the Commanding General on December nineteenth.

ECONOMICS:

Maintenance of lines of demarcation between the various zones continues to hamper economic recovery.

The Allied Council requested relief for Austria from UNRRA. Such relief is not to be confined to food, fuel and clothing, but should include money for the purchase of fuel and essential raw materials.

Increasing responsibility for revival of foreign and internal trade is being placed in the hands of Austrian officials.

Negotiations for the purchase of coal from Poland have met with some success.

Negotiations for the return to Austria of electric power from the Inn River plants, formerly diverted to Bavaria, met with success during the month.

Final agreement in the quadripartite sub-committee concerned was reached on the establishment of barter markets in Vienna.

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REPORT OF U. S. COMMISSIONER, CURRENT HIGHLIGHTS

INTERNAL AFFAIRS:

Internal affairs activities have centered around the inauguration of the new Austrian Government which followed the November election. The policy of placing responsibility for national problems upon the Austrian governmental officials is being more fully implemented.

Public Welfare activities are broadening as aid is being extended from sources outside of Austria. The arrival during December of representatives of such agencies to arrange for the distribution of relief supplies which they sponsor has added to the responsibilities of the Public Welfare Branch.

During December the restoration of telephone, telegraph and postal service continued, and the latter service was extended to all foreign countries with the exception of Germany and Japan.

Measures to guard against epidemics of communicable disease are producing results. The number of cases of typhus during the first week of December dropped to three. Diphtheria and typhoid fever are still high but show a downward trend. Venereal diseases are still on the increase.

The Austrian population, both urban and rural, are reacting to the restoration of freedom of public worship by heavy attendance at religious services.

The fuel problem still curtails educational expansion. Most of the elementary and secondary schools, however, were able to keep open until the normal date for closing for the Christmas Holidays. The restoration of normal educational facilities is being furthered by the clearance of additional text books, the provision of paper for printing and examination and approval of syllabi of courses for the upper elementary and secondary schools.

CIVILIAN SUPPLY:

Arrival of food supplies in Austria continued with the rate of shipment somewhat accelerated during the latter part of the month. A total of 33,600 net long tons of food were imported during the month.

During the month 305,800 articles of Civil Affairs Military Government clothing were received. In addition, 305,890 articles of American Red Cross clothing were imported during the month.

The ration scale for the normal consumer was maintained at approximately 1550 calories in the American occupied zone.

Arrangements were made to supply the French occupied zone of Austria and the French Zone of Vienna with food through

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REPORT OF U. S. COMMISSIONER, CURRENT HIGHLIGHTS

January, in accordance with the agreement fixing 31 January as the termination date of U. S. responsibility for supply of the French occupied territory in Austria.

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FUNCTIONAL REPORTSPOLITICAL DIVISIONSYNOPSIS

Acting principally in an advisory capacity, the Political Division consulted and advised other Divisions on those current matters which affected or were affected by the policy of the United States towards Austria. Close liaison was maintained with the Political Divisions of the other occupying powers and with this Headquarters, particularly as regards the process of constituting a duly elected Austrian government.

FORMATION AND ESTABLISHMENT OF NEW AUSTRIAN GOVERNMENT

The principal developments occupying the attention of the Political Division were those concerned with the formation and establishment of the new Austrian government, culminating in the new Chancellor's declaration outlining his party's program.

Following protracted negotiations between hard-bargaining delegations representing the People's Party and Socialists, agreement was reached on the division of portfolios in a government headed, as a result of its electoral victory, by Dr. Figl of the People's Party. The settlement gave each party what it most desired - the People's Party received the majority of and several important posts, the Socialists maintained their claim to their special preserves such as Social Welfare and Communications (a new Ministry) and a lien on important positions in the Vienna city government, while the Communists, receiving the new Ministry of Electrification, were given a concrete opportunity to demonstrate their skill in practical socialization.

Parliament assembled on December 19 and listened to Dr. Renner's account of his government's accomplishments, a report containing a plain statement of his views about the desirability of the Allies restoring a larger measure of freedom to liberated Austria. On January 20, the Bundesversammlung elected Dr. Renner President. Chancellor Figl in a speech to Parliament outlined his government's program on January 21 and covered several of the points made by Dr. Renner, particularly in respect to maintenance of the demarcation lines and the heavy burden represented by the occupational troops. Figl's speech was conciliatory toward the political opponents of the People's Party, and advocated democratization of the bureaucracy, severe punishment for the larger, mercy for the smaller, Nazis, economic help from the Allies including UNRRA, a restoration of Austria's model social legislation, and a foreign policy of friendship with all nations, especially close association with the other Danubian countries, and membership in the United Nations.

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DISPLACED PERSONS DIVISION

SYNOPSIS

Policy

Effective 1 December staff responsibility for Disarmed Enemy Forces was transferred from the Military Division to the Displaced Persons Division.

Summary of Status

Displaced Persons remaining in the United States Zone Austria and Vienna Area Command on 31 December numbered 194,627, and Austrian Refugees totaled 69,261. The total number of Displaced Persons now classified as Sudeten or Volksdeutsche is 121,412. Total number of Disarmed Enemy Forces remaining in the United States Zone on 31 December was 36,258.

Summary of Repatriation

Displaced Persons repatriated in December totaled 6,608 and consisted of 5,218 Germans, 1,107 Hungarians and 283 United Nations Displaced Persons. Austrian Refugees evacuated from the United States Zone totaled 11,174. Disarmed Enemy Forces repatriated to the United States Zone numbered 18,904 and 3,304 were transferred to other Zones in Austria and other European countries. A total of 6,839 Disarmed Enemy Forces were discharged within the United States Zone.

DISPLACED PERSONS

Current Status

Displaced Persons remaining in the United States Zone Austria and in Vienna Area Command total 194,627. Of these, 30,860 are in Land Salzburg, 152,920 are in Upper Austria and 10,847 in the Vienna Area Command.

The above figures represent a net increase of 10,520 during the month. Analyzing the situation by areas it will be noted that the number of Displaced Persons in Land Salzburg has remained practically static, while the total number in Upper Austria has increased by 7,566 persons and in Vienna Area Command by 2,789.

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DISPLACED PERSONS DIVISION REPATRIATION

The German Displaced Persons Figure has remained fixed--the figure of 13,471 on 31 December matching 13,455 on 30 November. Yet during the month 5,218 Germans were evacuated to Germany. It is evident then that 5,234 additional German Displaced Persons were uncovered during the month.

Most of the net increase may be explained by the gain in Displaced Persons of the Sudeten-Volksdeutsche category from 109,076 to 121,412. Registration of this group progressing under implementation of current directives preparatory to evacuation continued to reveal additional numbers throughout the month.

UNRRA now has nineteen teams engaged in Displaced Persons work in the United States Zone Austria and is engaged in the actual administration of twelve camps under Military Zone Commanders.

The daily ration for United Nations and Stateless Displaced Persons in camps during December was held at 2500 calories by the distribution of two standard American Red Cross packages to each person. Over and above this was the Special Red Cross package distributed during Christmas week. Beginning in mid-month the same distribution, so far as possible, was begun for United Nations and Stateless Displaced Persons outside of camps.

Repatriation

Organized repatriations from the United States Zone from 10 May 1945 to 31 December 1945 total 464,941 Displaced Persons of all nationalities, or 70.5 percent of the total number of Displaced Persons uncovered during the period.

December Displaced Persons repatriations numbered 6,608 and continued the sharp decline in repatriation activity which began in November. Again the chief traffic was in Germans. Early in the month 1,107 Hungarians were repatriated but this movement was brought to a close by a coal shortage in Eastern Austria.

Of the 49,078 United Nations Displaced Persons remaining probably at least 80 percent are non-repatriables. Shipments in this category during the month amounted to only 283 persons.

AUSTRIAN REFUGEES

As of 31 December 1945 there remained in the United States Zone Austria 69,261 Austrian civilians who are homeless or who are residing in parts of Austria remote from their

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FINANCE DIVISION

FINANCIAL INSTITUTIONS

3 November 10 November 17 November 24 Nov.
(in thousands of Sch.)

Credits	51,107	47,408	38,477	36,294
Debits	35,929	34,180	30,592	27,395
Credit Balance	139,734	152,961	160,847	169,746

In Salzburg, the percentage of blocked bank deposits decreased from 15.4% at the end of October to 13.5% at the end of November. This was due only partially to a decrease in the total of blocked deposits and was principally accounted for by the large increase in free deposits. Data on blocked accounts is as follows:

	<u>October</u>		<u>November</u>	
	(in thousands of Sch.)			
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Blocked Deposits	203,990	15.4	189,782	13.5
Free Deposits	1,132,824	84.6	1,214,579	86.5
Total Deposits	1,336,814	100.0	1,404,361	100.0

In Linz the percentage of blocked accounts also decreased to approximately the same extent, from 16% to 13%. This decrease is the result of the same factors as in Salzburg.

INSURANCE

External Assets - The preliminary step in attacking the problem of Austrian insurance companies' foreign assets has been to determine the amount and location of such assets pre-Anschluss. At the end of 1937, twenty Austrian insurance companies had in twenty-four countries throughout the world, including the United States, the following assets:

Bank Deposits	Sch.	18,846,000
Real Estate		58,056,000
Mortgages		17,600,000
Securities		109,493,000
Participation Shares		9,136,000
Re-insurance Balances		20,268,000
Other Claims		16,065,000
Value Direct General Insurance Business		135,831,000
Value Direct Life Insurance Business		11,003,000
TOTAL	Sch.	396,298,000

The above figures have been calculated for each foreign country concerned in terms in the rate of exchange as of 31 December 1937.

A study of the location of these assets shows that Sch. 64,329,000 of the total, or 11.2%, were in Germany. It is

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FINANCE DIVISIONFISCAL INTELLIGENCE

already known that at present Sch. 440,000,000 Austrian insurance assets are in German hands. This tremendous increase in investments was the result of forced participation under Nazi law and of "persuasion".

Although no comparable listing of assets abroad has been made as yet covering the war years, an approximation of Austrian insurance assets in Czechoslovakia as of 1 November 1945 is available. Assets of the four leading Austrian companies are as follows:

Der Anker	Sch.	103,260,000
Algemeine-Elementar		30,000,000
Donau-Concordia		32,600,000
Erste-Algemeine		19,869,502
TOTAL	Sch.	185,729,502

The amount and probable disposition of assets in countries other than Germany and Czechoslovakia are the subject of a study now under way. The German assets, representing the majority of foreign assets, will not be available in deflated amount for the critical years of reconstruction, and then in probably not more than a severely deflated amount. Since nationalization of the Czechoslovakian insurance industry seems now to be an accomplished fact, the Czechoslovakian assets seem entirely lost.

U.S. Zone - Insurance Directive Number 3, prepared and ready for issuance in the U.S. Zone, was withheld and is being redrafted as a result of the passage of the Conversion Law. Principally affected were the Directive's provisions regarding claim-payments to be made. The new draft takes into consideration the revocation of the Schaltergesetz (the Law on reopening the banks) by the Conversion Law and the provisions of Section IV, paragraph 13 of the latter.

In Salzburg, progress in writing new business is steady. The increase in October claims is due to one large fire claim, finally admitted, assessed, and paid by the underwriting concern. This claim was adequately covered by reinsurance contracts and neither the claim nor its payment is abnormal. In Linz, the monthly business activity continues normally with two exceptions. First, an unexplained number of life insurance (small policy amounts) contract stoppages occurred and investigation is being made of the reason for this. Secondly, a large fire claim, as in Salzburg, was presented for payment. Aid in the form of reinsurance and first insurers' premium reserves is sufficient.

DENAZIFICATION OF FINANCIAL PERSONNEL:

U.S. Zone - From the office of the Land Finance Officer, Salzburg, data were received during the month of December

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TRANSPORT DIVISION

during the mild weather of the past month. The supply of motor vehicles has been adequate to prevent any serious breakdown in highway transport except in the Vienna area where there are shortages of trucks and passenger cars. Current motor vehicle needs and future requirements have been estimated and submitted for the U. S. Zone, the Vienna area and UNRRA.

Preparations for snow removal have shown good progress with the result that the following snow removal equipment, by districts, is available:

Land Salzburg: 7 rotary plows
60 V-shaped blade plows

Land Upper Austria: 7 rotary plows
50 V-shaped blade plows

The Austrian Highway Department has been organized and is functioning under the guidance of the Land Military Government units. Steps taken for protection from heavy snowfalls include the establishment of snow removal routes by priorities, erection of snow fences and a system of reporting snow conditions to the district highway offices.

Due to the mild weather, bridge repair work at Salzburg, Freilassing, Nievesalm and Kuchl has continued. While progress during the winter months will be limited, it is planned to prosecute the work through to completion by spring.

Motor vehicle requirements have been estimated for the U. S. Zone in Austria. A request for 5,674 military vehicles of all sizes has been submitted to USFET. Transport incident to activities in connection with displaced persons by UNRRA and military units will require 894 vehicles. During the month the Transportation Division, in collaboration with the Economics Division, has completed a survey of future transport supply requirements in the U. S. Zone and Vienna. Materials and supplies needed include 71,850 tires, tire repair and tire rebuilding supplies, and truck repair supplies.

Herr Vinzenz Übeleis has been appointed Minister of Communications (Bundes Minister für Verkehr). Branch chiefs in this Ministry and their functions will be reported on the next monthly report.

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 DECEMBER 1945

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Authority NND 735027By JK NARA Date 7/13/00RG 135Entry JAG Law LibraryFile Faldert IL-330Box 51R. D. & R. DIVISIONPROPERTY CONTROLSYNOPSIS

Three hundred twelve more properties were taken under control during the month of December, bringing the total properties under control to 901. This represents 50 percent of all properties subject to control in the U. S. Zone. There has been a marked increase in the number of claims received direct from claimants rather than through State Department channels, and in the number of Nazi properties taken under control.

Additional deposits of Austrian and non-Austrian art were returned or prepared for shipment. An exhibition of masterpieces was opened by the Commanding General, at which time he also handed over control to the Austrian Government of the balance of the art objects brought to Vienna from Salzburg. Preparations were completed for the return to Austria of the Crown Jewels of the Holy Roman Empire taken to Germany by the Nazis after the Anschluss.

Preparations have been completed for the return to Vienna of a portion of one deposit of the Archives of the Austrian Government which are currently needed in Vienna. Negotiations are underway looking toward the return of a large cache of historical records now located in Moravia.

The United States' view on reparations has been received, which will be presented to the Allied Council at the earliest opportunity.

Restitution has largely been limited to works of art and cultural objects. The U.S.S.R. has received the Smolensk University library, and Austria has had much art returned to it. Lists of other types of looted property have been received from France, Poland and Czechoslovakia and are being processed.

PROPERTY CONTROLSynopsis:

Properties of American citizens continued to be taken under control during the month of December. The emphasis has largely shifted from claims processed through the State Department to those received directly from the claimants.

There has been a considerable increase in the number of properties of the Nazi Party and its leaders taken under control.

The first list of American properties located in the Russian Zone of Occupation was compiled and submitted to the Russian Element. It contained one hundred and twenty seven properties within Vienna and seventy properties outside of Vienna. Similar lists are being prepared for American properties in the International, British and French Zones of Occupation.

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R. D. & R. DIVISION

PROPERTY CONTROL

General:

Letters of inquiry and claims received for the month of December totaled sixty-four. These were recorded, analyzed and sent to the proper Land or Vienna Property Control officer for necessary action. The table below shows that the large majority of these claims are from American citizens.

Claims & Inquiries
December 1945

<u>Country</u>		<u>Location by Zone</u>	
United States-----	43	United States-----	42
France-----	9	International-----	12
Czechoslovakia-----	5	Russian-----	11
Germany-----	2	British-----	5
Poland-----	1	French-----	5
Austria-----	1		
Yugoslavia-----	1		
Palestine-----	1		
Hungary-----	1		
	64		75

Note: Since several claims listed property in more than one zone of occupation, the number listed by location exceeds that listed by nationality.

There has been a marked increase in the number of reports received from the field and in the number of property registers of business concerns and real estate taken under control at an earlier date. This includes financial statements of business concerns and statements of income and expense for real estate.

The situation in Vienna with regard to administrators for United Nations property has not been appreciably improved during the month. Some information, however, has been secured from the Austrian Public Administrators and reports on many of these properties are expected in January. It is expected that the repeal on December 18th of Austrian Public Law No. 9, which established public administrators, will further facilitate the receipt of property registers for the American Zone.

Additional properties in the following categories were taken under control in December:

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LibraryFile Foldevtl-330Box 51R. D. & R. DIVISIONMONUMENTS & FINE ARTSUnited Nationals:

Ten of these properties in Land Salzburg and eleven in Land Upper Austria were taken under control. Included among them were three business concerns and eighteen real estate properties. The bulk of these belong to American citizens.

German Government & Nationals:

Of these properties, twenty-six are in Land Salzburg and fifty in Land Upper Austria. Of the total, business concerns make up 52.6 percent and real estate 47.4 percent. In many cases the real estate properties are occupied by the owner and/or his family and are non-income producing. (See Chart 2)

Nazi Party & Party Leaders:

Two hundred and eight properties were taken under control because of ownership by the Nazi Party or ex-leaders thereof.

Other Ownership:

Seven new properties of a varied nature were taken under control in December. Included in this category are abandoned property, properties of other enemy governments and nationals, properties of the Austrian State, and looted and confiscated properties where ownership cannot be determined.

Note: For additional information concerning the breakdown of these properties see Chart 1.

MONUMENTS AND FINE ARTSGeneral:

The major activities of the MFA Branch during December were concerned with the further clearance of the deposit in the salt-mine at Alt Aussee, the return of Austrian Art from the Collecting Point at Munich, and the opening of the Exhibition of Masterpieces in Vienna.

Alt Aussee:

There were two important groups of non-Austrian art remaining in the mine; the library of the German Archaeological Institute, and the collection of Czech armor.

The Library of the German Archaeological Institute was removed from the mine during December and is at present loaded in eleven freight cars in the yards at Bad Aussee under Austrian police guard. This library was moved to Rome under the terms of the Treaty of Versailles to remain there permanently for the use of all nations. It was transported from Rome to Austria by the Germans during their recent occupation of Italy. Release from Washington is awaited in order to send this library directly to Rome, Italy.

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The Czech armor collection is to remain in the mine, in the custody of an Austrian administrator for property control until spring, as winter road conditions make removal impossible at this time. Documents and photographic material alleged to prove ownership of this collection have been submitted by the Czech Government.

Consolidation of all Austrian art property remaining in the mine has been accomplished. Three chambers only are being used, which will permit renewed salt production in the mine in the chambers vacated.

Return of Austrian Works of Art:

Another section of the groups of art objects taken by Third Army to Munich for safekeeping and cataloguing from Alt Aussee in June has been returned to the monastery of Kremsmunster in Upper Austria and turned over to the Austrian representatives. A third and final shipment remains to be made.

The Exhibition of Masterpieces of Painting, Vienna:

On December 19 the Commanding General opened an exhibition of masterpieces of painting in the Hofburg and officially handed over to the Austrian Government the many pictures which were returned by USFA to Vienna from Salzburg and the deposit at Lauffen. About 100 masterpieces are on public exhibition at the Hofburg. The attendance to date has been about 10,000.

The Crown Jewels of the Holy Roman Empire:

Final arrangements have been made to return the Crown Jewels and the Coronation Regalia of the Holy Roman Empire from Nurnberg to Vienna to be handed over to the Austrian Government. This treasure was removed by the Nazis immediately after the Anschluss in 1938 and was recovered by American Forces in Bavaria.

Fischorne and Mittersill Deposits:

The work of removing art property of non-Austrian nations in these deposits has progressed slowly. Difficulties of transport and the necessity of building cases for the material have slowed up the work.

Return of Deposits to the Austrians:

It is intended to turn over to Austrian authorities the remaining contents of the two large salt-mine deposits, Alt Aussee and Lauffen, early in January.

It is also intended to hand over all the smaller deposits of Austrian art remaining in the American zone during January.

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There are two main deposits of displaced archives of the central government of Austria. These consist of seventy tons of documents located in salt mines at Lauffen near Bad Ischl, Austria, and fifty eight tons located in Castle Eisgrub in Moravia, southern Czechoslovakia.

Arrangements have been made for the immediate removal to Vienna from Lauffen, of ten tons of police and legal records which are currently needed by the Austrian Government. This work will be accomplished under the supervision of the Chief, Archives Branch. Necessary further processing of these documents will be done upon their return to the Staatsarchives building, as such work is impracticable in their present location. None of these records post date 1938.

Negotiations have been instituted with the Czechoslovakian government through diplomatic channels for the return of the fifty-eight tons of historical records of the fifteenth to eighteenth centuries, presently stored at Castle Eisgrub, Moravia.

REPARATIONS

Numerous questions of both substance and procedure remain to be settled before much concrete work can be accomplished. The United States view has been received and a committee has been formed to implement this policy. Agreement on a governmental level has not yet been reached. Pending agreement on a quadripartite level, this issue will continue to interfere with the economy of Austria and its rehabilitation to a 1938 level.

RESTITUTION

Fine arts and cultural objects are still the main objects that have been returned. However, lists of looted property located in Austria have been received from France, Czechoslovakia and Poland, and are being checked by the property control branch.

The Smolensk University Library has been returned to Smolensk from where it was taken by the Germans.

No agreement on restitution has been reached on a quadripartite basis. No meetings of the Quadripartite Committee on Reparations and Restitution (no. 7) have been called since 11 December.

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VIENNA AREA COMMAND

third the number of policemen means that a large proportion of them are patrolling unarmed. This, with armed organized gangs to contend with, makes the patrolman's task extremely difficult.

Police Morale. Police morale continues to be low. Attacks on uniformed patrolmen are frequent. The Viennese policeman is underpaid, underfed, and definitely overworked by police standards of most other countries, and until some measures are taken to improve these conditions, it is to be expected that police morale will continue to be low.

Prisons and Jails. The general overall prison and jail situation is steadily improving. The total number of prisoners has decreased from 3,211 at the beginning of the month to 2,719 on 29 December, and the number held in police jails is less than 1/3 the number on December 1. The political prisoners, who constitute the greater majority of those in confinement, are first arrested and held in either a local Bezirk jail or the Rossauerlande police jail. Upon completion of investigation of charges, these prisoners are either released or transferred to a Land Court prison to await trial. The Staats-Polizei has speeded up its procedure as well as have the Austrian courts, and at present both are functioning in a more satisfactory manner. Although the Land Court prisons are over their normal capacity, these institutions have been able to operate efficiently and keep sanitary conditions up to standard. The work program is continuing and the daily average of between 750 and 1,000 men on work details has been a tremendous help during the critical labor shortage.

Travel Permit Bureau. During the month of December, 6,673 persons applied for passes and 2,276 passes were issued. Many applicants living outside the American controlled Bezirke applied for passes, but, due to ineligibility, were denied.

Fire Department. Personnel now stands at 25 officers and 961 men. Nine vehicles were overhauled and restored to service. Two vehicles were brought in from Linz and turned over to the department. The telegraph system which, when completed, will provide an additional method of contact between all stations and the headquarters, is nearing completion. To date more than one-half of the stations are connected to this set-up. A Fire Prevention Section is now under re-organization and should be in complete operation in the near future. The repairing and restoration work on the damaged fire stations continues, but due to the scarcity of some building materials temporary stoppages are encountered. 531 alarms were answered during the month, of which 89 were for actual fires.

Special Branch. 2,978 Fragebogen have been registered to date, and action has been recommended in 425 cases. 787 Fragebogen are awaiting CIC action.

DISPLACED PERSONS

Repatriation. During December 4,266 Displaced Persons

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VIENNA AREA COMMAND

were repatriated.

Christmas Party. VAC, working with the American Red Cross, UNRRA, and the Austrian Committee, had Christmas parties for the children in all displaced persons camps, and Red Cross Parcels were distributed to Allied displaced persons living outside of camps.

Camps. Nazi laborers were employed to clean up the Jewish displaced persons camps. Estimates for coal were revised for all displaced persons camps so that they are now heated twenty-four hours a day.

PROPERTY CONTROL

Business enterprises, real estate and personal properties taken under the custody and control of this office during the month of December totaled approximately ninety. Three of these properties were owned by citizens of the United Nations. In all cases where Public Administrators have been appointed by the Austrian government, we continue to advise them of the new situation and responsibilities and duties involved.

This office is continuing with its policy of distributing Forms MG/APC 2 to the Administrators and Managers of all property interests under control where protective posters have been issued. With the exception of newly acquired properties our files are now complete.

TRANSPORTATION

During the month of December 1945, a rated truck tonnage of 46,452 tons was furnished to the city of Vienna. It is estimated that the actual tonnage moved by the Civilian Transportation Sub-Section during December will exceed 51,500 tons.

The deadline percentage throughout the month remains considerably high due to the difficulty in securing competent mechanics, and due to absenteeism largely traceable to illness and lack of clothing. Attempts are being made to secure warm clothing for mechanics. The tire situation remains very critical.

LABOR AND EMPLOYMENT

Recruiting of local civilian labor to meet still expanding needs of U. S. Forces in the Vienna Area and to replace workers lost through turn-over continued to be the major concern of the Labor and Employment Sub-Section during December. An average of some 80 new workers daily were processed at the Civilian Employment Office. Apart from these additions to the regular

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ECONOMICS DIVISION

CONFIDENTIAL SUPPLEMENT

to

DECEMBER 1945 REPORTECONOMICS

As supplementation to the report for the month of December 1945 the following information should be read in conjunction with the report in order to obtain a complete view of the economic situation:

SYNOPSIS

It must be stressed that one of the most deterrent factors impeding economic recovery in Austria is the failure of the four occupying powers to come to an effective understanding in the breaking down of the zonal barriers. As a result of this, no free movement of trade exists between the zones.

TRADE

In order to avoid a flow of critical items from the U.S. zone all critical materials are "frozen". Thus all intra zonal exchange as well as the import and export of these items is under strict control of the occupying power.

FUELS AND MININGCOALBrown Coal

The actual coal mined in the U.S. zone, Austria, and movement and distribution of this coal is shown in the following table and chart.

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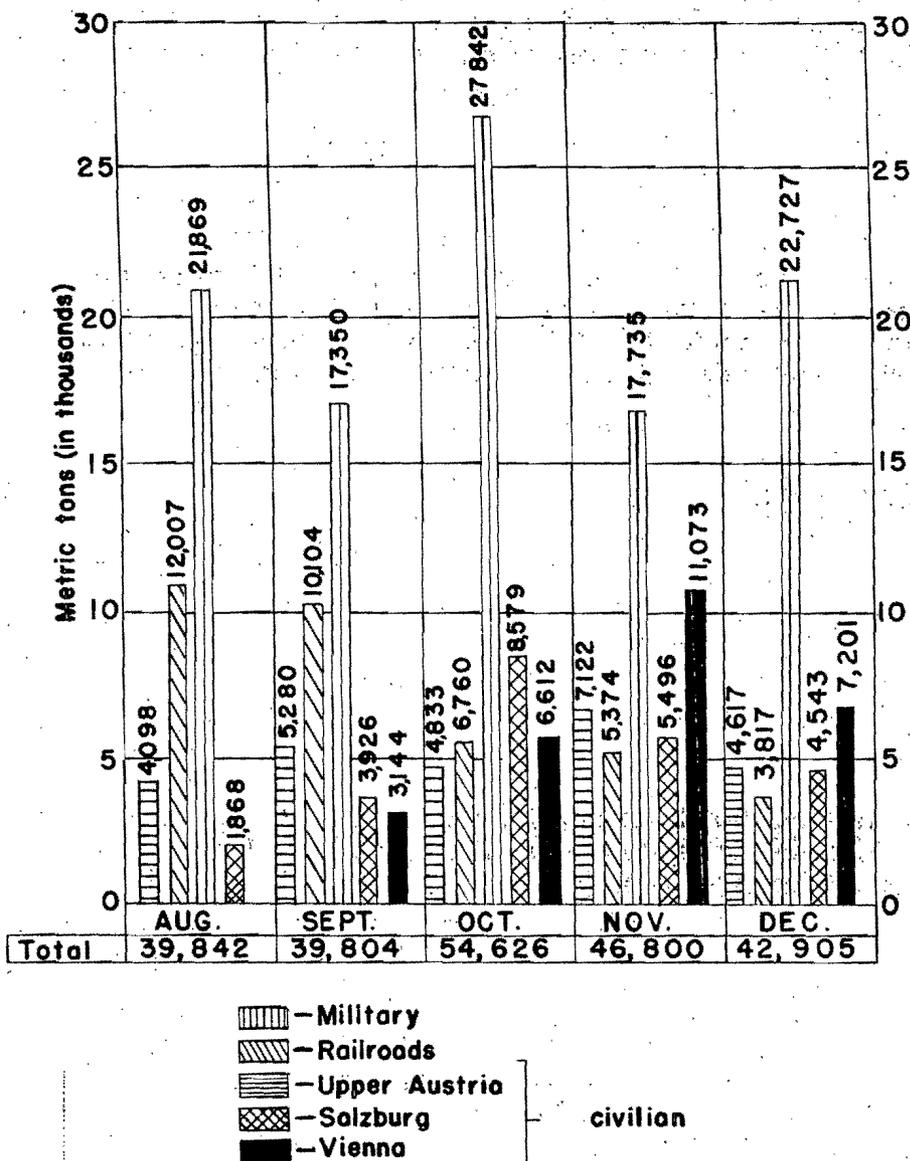
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BROWN COAL PRODUCTION - U.S. ZONE, AUSTRIA

	July thru October 1945	November 1945	December 1945
	T o n s		
Gross coal mined	168,431.7	46,597	46,244.1
Net " "	171,817.6	46,800	42,905
Consumed at mine	14,452.1	4,607.7	2,912.4
Stockpile removal	17,838.0	4,810.7	596.2

INDIGENOUS BROWN COAL
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U.S. ZONE AUSTRIA



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Authority NND 735027By JK NARA Date 7/3/00RG 135Entry 3AG Law LibraryFile Folder IJL-330Box 51REPORT OF U.S. COMMISSIONER, AUSTRIAREPORT OF U.S. COMMISSIONER, AUSTRIA

The outstanding constructive events in Austria during the month of November, 1945, were the national election and the adoption of a currency conversion plan. Other matters of significance were (1) the receipt of an appeal for economic assistance from Dr. Renner, dated 5 November; (2) the continuation of a deadlock on the pooling of economic resources, including food; (3) progress on evacuation of displaced persons and disarmed enemy forces; (4) good progress on review and approval of the decrees and orders of the Renner Government.

ELECTIONS

The first free national election in Austria since 1930 was held on Sunday, 25 November 1945. In the election and in the campaign which preceded it, the Austrian people gave an impressive exhibition of their democratic capacity. The campaign was conducted by all three major parties in a vigorous, serious and generally orderly manner. The registration was heavy. The total of 3,418,276 compares favorably with 4,121,282, in 1930. The fact that approximately 93 per cent of the registered voters cast valid ballots is convincing evidence of the public interest and the representative character of the result.

The Nationalrat, or lower house of the Parliament, will be composed of 85 People's Party (Volkspartei) members, 76 Socialists and 4 Communists, according to the informal returns.

The Landtage, or provincial legislatures, chosen at the same time will have People's Party majorities in all the Laender, except Carinthia and Vienna where the Socialists will control. The total party strengths in the nine Landtage will be People's Party, 213; Socialists, 179; Communists, 15 and Democratic Party (authorized only in Carinthia), 1.

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REPORT OF U.S. COMMISSIONER, AUSTRIA

After their organization early in December, the various Landtage will choose the 50 members of the Bundesrat, or upper house of Parliament. Reliable estimates are that the People's Party will win 28 of these seats and the Socialists 22.

The election law, adopted by the Renner Government, and approved by the Allied Council on 30 October, was based on the election law of the Austrian Republic with modifications to meet such extraordinary conditions as denazification and prisoner of war voting. It provided for the former method of voting, a party list system of proportional representation.

Registration was closely watched and carefully screened, particularly to prevent the enrolment of former Nazis. The special boards appointed to review registration cases had disposed of all complaints before election day. It is believed this work was well done.

As of 30 November, no charges of fraud and no complaints from either parties or individuals have been received since the election. One trivial case of disorder at the polls occurred in Burgenland.

The holding of such a full, fair and free election throughout Austria, despite many distressful economic and social conditions, only six and one-half months after V-E day is highly creditable to the Austrian people and to the Armies of occupation.

CURRENCY CONVERSION

During the first two weeks of November intensive discussion of the currency conversion problem gradually reduced the points of disagreement. The effective cooperation of all four Elements increased the rate of printing the Austrian banknote to such an extent that it became apparent a conversion could be made into Austrian national schillings early in December. A working agreement on the remaining points at issue was reached at an extraordinary meeting of the Allied Council on 16 November. On the basis of this agreement the Austrian Government was directed to pass the necessary legislation to carry out the conversion between 13 and 20 December. This was done and the Allied Council approved the law on 30 November.

When this conversion has been affected, Austria will have a single new currency. The danger of further inflation by the importation of Reichsmarks will have been eliminated and the first long step in the establishment of a firm basis for financial and economic reconstruction will have been taken.

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REPORT OF U.S. COMMISSIONER, AUSTRIA

APPEAL FOR ECONOMIC ASSISTANCE

In a memorandum, dated 5 November, Dr. Renner, transmitted to the Allied Council, an appeal for economic assistance from the Provisional Government and the Provincial Conference, dated 25 October. This document appealed to the Governments of the Allied Powers and the Allied Council to avert disaster from famine, frost and pestilence during the coming Winter. It dealt chiefly with the problems of (1) displaced persons, (2) food, (3) fuel and power, and (4) medical supplies. An important proposal was that control of some of these vital matters be placed in the hands of joint civilian and military government boards or committees. It also strongly urged the pooling of all available food, fuel and power; and proposed the nationalization of the few Austrian coal mines.

The appeal was referred to the appropriate Quadripartite Divisions for study and recommendation. They have been discussing the difficult questions involved assiduously.

The Austrian requests as to displaced persons have been met as far as possible now, but the only promising approach to substantial relief of the food problem, for Austria treated as an economic unit, is through UNRRA aid. UNRRA representatives had arrived before 30 November and are exploring the situation. The prospects for obtaining a considerable tonnage of hard coal from Polish Silesia are encouraging, and negotiations are in progress with the German Control Council to switch some electric power from Tyrol through Bavaria to relieve the stringency in Vienna.

DISPLACED PERSONS

The repatriation of displaced persons slowed down during the month because of transportation difficulties and the reduction in the numbers easily repatriable. A total of 45,745 were evacuated from U.S. occupied territory during November. Of these, 20,994 were Austrians and 24,751 were displaced persons of other nationalities. Since organized movements began in June, 458,333 persons have been evacuated from U.S. occupied areas, or 71.2 per cent of those uncovered to date. As of 30 November, there were in the U.S. occupied parts of Austria, a total of 243,506 displaced persons and refugees. United Nations displaced persons total 48,793; ex-enemy displaced persons, 135,324 and Austrian refugees 58,873.

Good progress was made on the program to winterize the camps still occupied by displaced persons and it is expected that it will be completed before severe cold weather begins. The ration scale for United Nations displaced persons has been increased to 2300 calories per day. UNRRA participation in the control of United Nations and stateless displaced persons was extended.

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REPORT OF U. S. COMMISSIONER, AUSTRIA

DECREES AND ORDERS OF THE RENNER GOVERNMENT

Good progress has been made on the review and approval of the decrees and orders of the Renner Government. The basic approach adopted, was that the Allied Council should not concern itself with the political, economic or social purport of these decrees and orders so long as they were in accord with Allied policy. The task has been tedious because each decree or order had to be translated into three languages, studied in its legal and technical aspects, and varying viewpoints reconciled in the Quadripartite Legal Division before presentation to the Council.

When the powers of the Renner Government were extended on 20 October, more than 200 of these decrees and orders had been issued, and this number has since been considerably increased. By the end of November, 157 decrees and orders were approved by the Allied Council without change, amendments were ordered to 11, and only 4 were disapproved. Thus approximately three-quarters of the Renner Government's legislation is now in effect throughout Austria.

As a result of various developments in the course of this work by the Legal Division and of certain actions by the Renner Government, the Allied Council has deemed it necessary to inform that Government, (1) that all legal texts in any form whatsoever, must receive the Council's approval before being promulgated; (2) that the extension of the validity of Austrian legislation to the whole country must not be construed as a renouncement of the Allied Council's supreme authority over the Austrian Government and all its agencies and acts; and (3) that the new National Assembly must study with the least possible delay all legislative enactments of a constitutional nature by the Provisional Government and first of all those which effect the liberty and independence of Austria as well as the democratic form of its Government. The purpose of the last directive is to end as quickly as possible powers which were necessarily exercised by the ministers of the Provisional Government during the interregnum period, but which are incompatible with a democratic form of government.

It is worthy of note that among the amendments ordered by the Allied Council were requirements which would, in effect, establish the basic principle of the habeas corpus writ in Austria and prohibiting to the Austrian Government the functions of propaganda and censorship as incompatible with democracy.

AUSTRIAN GOVERNMENTAL ORGANIZATION

The Austrian governmental organization has continued without important change during November and appears to be functioning reasonably well under the existing conditions. No important complaints concerning municipal and Land government have been received nor have there been any important difficulties arising as a result of the extension of the powers of the Renner Government throughout the country.

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f. Demolition of Buildings. Three buildings were blasted in the International Zone.

g. Sewage. 1321 damaged places reported, 848 repaired, 198 being repaired. An average of 900 workmen, 40 contractors, 20 trucks and 24 horse-drawn cars were used daily.

h. Bridges. The Kagran bridge was opened on the 22nd of the month. Pavement on the Augarten bridge is about completed. One end of the Schweden bridge was raised 27 feet. Final repairs were made on Aspern bridge which was opened for traffic on 24 November 1945. Bridge work this month:

Completed	2
Under construction	13
Contractors	10 (average)
Workmen	211 (average)
Trucks	8

i. Streets. 218 craters repaired, 585 workmen (average), 45 contractors (average), 24 motor vehicles (average), and 100 wagons drawn by horse (average).

j. Snow Removal. The city has 76 small prime movers weighing about 2½ tons equipped to tow trail plows. The street car company has cars fitted up with plows to clear tracks, and the U. S. Engineers have two six-ton trucks fitted with snow plows. All of this equipment is inadequate to clear the streets in case of a heavy snow fall. Fitting trucks with plows is not satisfactory since trucks heavy enough for this type of work are not available. Vehicles with steel tracts will slip on streets and bull dozers are not suitable. It has been determined that only trucks weighing 4 to 6 tons and on rubber tires will be suitable and efficient.

k. General. Progress of repairs of war damages in the American Zone in percentage of hours is as follows:

	30 Nov	31 Oct
Street repair	45.4%	35.3%
Water system	45.2%	40.0%
Sewage system	52.1%	41.0%
Building repairs	0.97%	0.8%
Debris clearance	49.6%	49.0%

2. PROPERTY CONTROL

a. Business enterprises, real estate and personal properties taken under the custody and control of this office during the month of November totaled approximately one hundred and ten. All of these property interests were owned by American nationals or nationals of the United Nations. One-third of these properties were posted with the protective notices. Of the remainder, investigations are in progress determining the American and United Nations interest involved. In all cases where Public Administrators have been appointed by the Austrian government, Property

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VIENNA AREA COMMAND

Control continues to advise them of the new situation and responsibilities and duties involved. In compliance with Military Government Instructions No. 17, dated 8 September 1945, all properties under control of this office, where protective notices were issued, were allotted serial numbers for identifying purposes.

b. A list, showing the name and address of the American or United Nations national owner, the address or location of the property involved, and its general description has been prepared of all properties registered with this office located in Russian controlled Bezirks of Vienna.

c. Forms MG/APC 2 have been distributed to the Administrators and Managers of all property interests under control of this office where protective posters have been issued. It is expected that these forms will be completed and returned within the first week of December. Thereafter Forms MG/APC 2 will be completed for all other properties registered with this office.

d. The French Occupation Forces in Vienna have been serving notices on all business enterprises located in their zone of occupation requiring said business enterprises to submit inventories and financial reports. In some cases they have blocked the transfer or sale of raw materials and finished products. However, the French Occupation authorities have agreed to exempt American or United Nations nationals' property interests which are under control of the American Property Control Sub-Section.

3. PUBLIC HEALTH

a. General Health. The general health of the civilian population of the city of Vienna is essentially unchanged from previous months. The final reporting on the death rate per 1000 people per month by the Social Ministry has not been received for the months of October and November 1945. For September, the civilian death rate was 3 per 1000 per month, which contrasts to the rate of 1.4 per 1000 per month for the month of September 1944. Thus the rate for all intents and purposes is essentially high. There is no reason to believe that it is any lower for October and November. However, between 80 to 90% of the deaths are falling in the age group over 60 years of age, and the increase in the civilian death rate is, for the most part, made up of individuals in this particular age group. The infant mortality rate for October was 142.58 per 1000 live births, which is in contrast to the rate of 50 deaths per 1000 live births of infants 0-1 year of age for October 1944. The general health of the population in spite of a diet which is minimal in caloric requirements and which fulfills none of the requirements for essential food stuffs, such as animal protein, vitamins (with the exception of the Vitamin B complex) and essential minerals, the public fails to show overt signs of extensive malnutrition, vitamin deficiency diseases, or even sub-clinical avitaminotic conditions. This is, in short, a paradox, but must be held with some degree as reservation because an extensive and thorough investigation of this problem has not been conducted by the American Armed Forces since September 1945. To submit a brief statement, criteria based on

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f. Clothing. A supply of clothing has been brought into the city of Vienna for distribution for the civilian population according to established priorities. The following is a tabulation showing the imported amounts:

Coats, mackinaw	2700
Overcoats, men, new	2700
Overcoats, men, used	945
Overcoats, boys	799
Trousers, men, new	5500
Trousers, men, used	100
Overcoats, female, new	1500
Overcoats, female, used	4900
Childrens' clothing, assort	200
Overcoats, girls, new	23
Dresses, women, new	1100
Dresses, girls, new	2000
Sweaters, men, used	1000
Jackets, men, used	5600
Jackets, boys, new	250
Coats, men, used	60
Blankets	25,000

g. Red Cross Packages. During this period, 21,500 Red Cross Packages were received, 2000 of which were issued during the same period. The contents of these packages are used mainly to supplement the diet of Displaced Persons.

14. DISPLACED PERSONS

a. Repatriation. For the period 1 November 1945 to 30 November 1945 the following Displaced Persons were repatriated:

Reichsdeutsche	3444
Jews	600
Austrians	412
Volksdeutsche (Hungarian)	300
	<u>4756</u>

b. Jewish Movement. A study of the movements of Jews through Vienna showed they were completely uncontrolled. In cooperation with Mr. Norman Weinstein of the American Joint Distribution Committee, these movements are now controlled and much of the congestion caused by the arrival of large groups of Jews has been relieved.

c. Food. On 19 November, a central kitchen was opened for feeding Displaced Persons in camps in the U. S. zone. Previously, the camps were serviced by an Austrian kitchen and the Displaced Persons were not receiving their proper allotment of food. Under the new set-up they receive a daily ration that is consistent with current directives.

d. Ex-Enemy Displaced Persons. Compulsory repatriation of Reichsdeutsche is completed. Those remaining who refused to be

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repatriated will be dealt with as their case warrants. All Volksdeutsche in the U. S. Zone, Vienna, have been registered and plans are underway to move them from the city.

15. POSTAL

a. The Postal Savings Bank is again operating in Vienna. That section of the Postal Savings Bank which was moved to Pichl-Auhof in Upper Austria at the close of the war and temporarily functioned at that location, has been returned to its former location in Vienna. This section was returned as a unit, including sixty-five postal specialists, supplies, equipment, and records so that the minimum amount of time was lost, and so that it could immediately continue its work in Vienna. It was highly necessary that all records of the Postal Savings Bank be consolidated again in Vienna to facilitate the exchange of mail between the four occupied areas of Austria.

b. An entire new issue of Austrian postage stamps was printed by the Austrian State Printing and placed on sale. The following denominations are available:

3 Groschen	12 Groschen
5 Groschen	30 Groschen
6 Groschen	40 Groschen
8 Groschen	50 Groschen
10 Groschen	60 Groschen

c. Plans are now complete for the proper and efficient handling of international mail when word is received to resume service. Arrangements have been made to send Dr. Rudolf Kuhn of Vienna Postal to Bern, Switzerland, to arrange for the re-entry of Austrian Postal into the Universal Postal Union.

d. The following is an itemized list of Vienna postal vehicles on hand in November, which were secured by G-5, Vienna Area Command:

Busses	23
Trucks	23
Trailers	3
Tank trucks	2
	51

Three-fourths of these vehicles were repaired and placed in running condition in the G-5 Vienna Area Garage in Linz, and returned to Vienna during the month. These 51 vehicles constitute approximately 12% of the original total that Vienna Postal possessed prior to the war, and together with the five old ones, are the only vehicles now available to the Vienna Postal Service. With the international mail service to commence soon, more vehicles are greatly needed. Parcel post service is also being delayed due to the lack of sufficient vehicles.

e. The French Military Government in Innsbruck has agreed to release approximately nineteen Vienna postal vehicles. Plans

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CIVILIAN SUPPLY DIVISION

The U.S. Army has responsibility for the feeding of 2,400,000 people in its zone of Austria including Vienna. During the period June thru November 1945, the following quantities of food were imported to the U.S. Zone of Austria including Vienna:

Wheat	69,313 net long tons
Cheese	216
Coffee	949
Fats	1,497
Meat (and substitutes)	6,890
Milk	251
Pulses	7,250
Sugar	<u>5,671</u>
	92,037

The operation of the food agencies of the Austrian government in the collection of indigenous food stuffs and the distribution of both indigenous and imported foods has been supervised and controlled closely by military authorities. There has been no evidence of diversion of imported foods to unauthorized channels.

Complete instructions have been published to all concerned on procedures for requisitioning, receiving, storing, distributing and accounting for all civilian supplies.

Action has been taken to import the necessary quantities of many other commodities such as clothing and medical supplies but food has been the prime concern of our civilian supplies activities.

The Allied Council established a Quadripartite Food, Agriculture, Forestry and Fisheries Committee under the supervision of the Quadripartite Economic Directorate. The Food, Agriculture, Forestry and Fisheries Committee supervises and controls the policies and operations of the Austrian State Ministries for food and agriculture. Assistance has been given to the Austrian Ministries on many problems, the committee has established the principles upon which the quadripartite feeding of the City of Vienna is conducted and has under study a national ration scale for all of Austria.

The Food, Agriculture, Forestry and Fisheries Committee has, in general, made satisfactory progress. The committee, however, will not be able to accomplish its mission effectively until agreement has been reached among the four occupying powers upon a basis for the elimination of economic zonal boundaries and the treatment of Austria as one economic unit. This question is under consideration by the Allied Council and when agreement is reached on the pooling of the indigenous resources of the country, plus the basis upon which overall deficits will be met by the occupying powers, the work of the Quadripartite Food, Agriculture, Forestry and Fisheries Committee will be greatly simplified and accelerated.

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LIBRARYFolder JIL-33051**DISPLACED PERSONS DIVISION****REPATRIATION****SYNOPSIS**Policy

Existing policy now includes preparations to turn over to UNRRA responsibility for United Nations Displaced Persons and Stateless persons, and to turn over to Austrian civilian authorities the responsibility for ex-enemy Displaced Persons.

Summary of Status

Displaced Persons remaining in the United States Zone, Austria and Vienna Area Command on 30 November numbered 184,627 and Austrian Refugees totaled 58,879. The total number of Displaced Persons now classified as either Sudeten or Volksdeutsche is 109,076.

Summary of Repatriation

Displaced Persons repatriated in November totaled 24,751--chiefly Germans and Hungarians. Austrian Refugees evacuated from the United States Zone totaled 20,994.

PART I. DISPLACED PERSONSCurrent Status

A total of 184,627 Displaced Persons remain in the United States Zone, Austria and in Vienna Area Command. Of these, 30,695 are in Land Salzburg, 145,354 are in Upper Austria and 8,578 remain as an American responsibility in Vienna. In addition, there are 58,879 Austrian Refugees in the United States Zone. These figures represent a net loss of 48,826 during the month.

The principal change in status during the month occurred when the implementing of current policies produced a shifting of 55,000 persons into the Sudeten and Volksdeutsche categories. Previously these people had claimed Czechoslovak, Hungarian, Yugoslav or Rumanian nationality or considered themselves Stateless persons. This naturally produced a great reduction in the number of Displaced Persons classified as United Nations--the total falling from 87,084 to 48,783. On the other hand, the number thus transferred to the ex-enemy category exceeded the shipments in that group and swelled it from 128,316 to 135,324.

A great many new nationality groups were discovered when complete registration figures were obtained in the Vienna Area Command, and the number of Western Hemisphere nationals has increased steadily in the month.

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DISPLACED PERSONS DIVISION**REPATRIATION**Repatriation

Organized repatriations from the United States Zone from 10 May 1945 to 30 November 1945 total 458,333 Displaced Persons of all nationalities representing 71.2 percent of the total.

November Displaced Persons repatriations totaled 24,751 and showed a sharp decline in repatriation activity from the preceding month during which 130,775 Displaced Persons were removed from the United States Zone. In both months the chief traffic was in Germans, the 17,749 repatriations in November being a continuation of the extensive operation which in October returned 100,890 Displaced Persons to all Zones in occupied Germany. Less than 14,000 Germans now remain in the United States Zone, Austria of the 160,000 present before repatriations began. Of those remaining 5,364 have been temporarily deferred.

Hungarian repatriations numbered 2,859 and represented the other principal movement during the month.

The Repatriation Section handled the organized evacuations of 20,994 Austrian Refugees from the United States Zone.

The repatriation of Soviet citizens is now 100 percent complete and that of Western Europeans and Italians virtually so. Of the 49,044 United Nations Displaced Persons and Stateless persons remaining, it is estimated that 40,000 are probably non-repatriables.

Transient Movements

The chief movement in this category was the passage of Hungarian Displaced Persons from Germany en route to Semmering and Hegyeshalom, and in this connection a major problem arose from the acute coal shortage in the Russian Zone. This condition greatly curtailed the movement and finally brought it entirely to a stop on 18 November. Present indications are that the coal shortage will not be alleviated before mid-December, at which time this movement will be resumed.

Not thus affected was the movement of Hungarian horse-cart convoys which pass through the United States and British Zones. Here the chief factor involved is fodder for the horses, and except for short interruptions in the supply, the carts continued to roll through at the rate of 50 carts per day. By the end of the month commitments for convoys of 150 carts daily had been secured.

PART II. REFUGEESAustrian

Refugees are Austrian civilians who are homeless or who are residing in parts of Austria remote from their places of domicile. As of 30 November 58,879 persons in this category remained in the United States Zone in contrast to the 74,676 evacuated in organized movements up to date. Those remaining are principally Viennese, and an increase in their number may be expected due to the anticipated arrival of approximately 20,000 from the United States Zone in Germany. Projected policy calls for the problem of returning these people to be turned over to the Austrian authorities in the near future.

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CURRENT STATUS OF DISPLACED PERSONS
U. S. ZONE, AUSTRIA
30 NOVEMBER 1945

NATIONALITY	REQUIRING REPATRIATION	REPATRIATED TO 31 OCT.	REPATRIATED 1 NOV-30 NOV	TOTAL REPATRIATED TO DATE 30 NOV	PROBABLE NON- REPATRIABLES	TOTAL REPATRIATED AND ON HAND	PERCENT REPATRIATED
WESTERN EUROPEANS	515	40,931	399	41,330	0	41,845	98.8
BALTIC STATES	2,355	0	24	24	2,355	2,379	1.0
SOVIET	0	69,485	0	69,485	0	69,485	100.0
WHITE RUSSIAN	4,784	0	0	0	4,784	4,784	0.0
UKRAINIAN	4,953	0	0	0	4,953	4,953	0.0
POLISH	10,934	41,672	257	41,929	10,000	52,863	79.5
YUGOSLAV	14,060	14,826	714	15,540	14,060	29,600	52.5
CZECHOSLOVAK	3,004	12,808	283	13,091	1,000	16,095	81.5
ITALIAN	88	43,204	105	43,309	0	43,397	99.8
GREEK	218	2,427	62	2,489	0	2,707	91.9
JEWISH	5,468	0	0	0	4,000	5,468	0.0
SUDETEN	42,939	0	0	0	7,000	42,939	0.0
VOLKSDEUTSCHE	66,137	0	0	0	10,000	66,137	0.0
GERMAN	13,845	130,737	19,834	150,571	5,000	164,416	91.8
ROMANIAN	3,450	2,578	204	2,782	1,000	6,232	44.5
BULGARIAN	148	284	0	284	0	432	65.7
HUNGARIAN	9,064	73,701	2,859	76,560	5,000	85,624	89.5
OTHERS	399	929	0	929	0	1,328	67.2
STATELESS	2,266	0	0	0	0	2,266	0.0
TOTAL	184,627	433,582	24,751	458,333	69,093	642,960	71.2

DISPLACED PERSONS DIVISION

REPATRIATION

NOVEMBER 1945

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DISPLACED PERSONS DIVISION

REPATRIATION

DISPLACED PERSONS

NATIONALITY	NUMBER IN ZONE 2 NOV 1945				NUMBER IN ZONE 30 NOV 1945				CHANGE IN PERIOD	
	Land Salzburg	Upper Austria	VAC	TOTAL	Land Salzburg	Upper Austria	VAC	TOTAL	GAIN	LOSS
Albanians	21	0	0	21	12	0	0	12	0	9
Argentiniens	0	0	0	0	0	0	39	39	39	0
Armenians	0	160	0	160	0	0	0	0	0	160
Baltics	1182	1228	0	2410	1104	1248	3	2355	0	55
Bolivians	0	0	0	0	0	0	4	4	4	0
Brazilians	6	0	0	6	6	0	75	81	75	0
Chileans	0	0	0	0	0	0	16	16	16	0
Colombians	0	0	0	0	0	0	2	2	2	0
Costa Ricans	0	0	0	0	0	0	4	4	4	0
Cubans	0	0	0	0	0	0	1	1	1	0
Czechs	343	2873	0	3216	275	2599	130	3004	0	212
Danes	4	0	0	4	4	0	14	18	14	0
Danzigers	0	0	0	0	1	0	0	1	1	0
Ecuadorians	0	0	0	0	0	0	15	15	15	0
Egyptians	1	0	0	1	0	0	0	0	0	1
English	0	0	0	0	7	0	0	7	7	0
Finns	0	0	0	0	1	0	0	1	1	0
Greeks	0	267	0	267	0	218	0	218	0	49
Guatemalans	0	0	0	0	0	0	3	3	3	0
Iranians	3	0	0	3	0	0	0	0	0	3
Italians	62	0	0	62	69	0	19	88	26	0
Jews	1679	2466	0	4145	1804	2832	643	5279	1134	0
Luxembourgians	5	0	0	5	5	0	0	5	0	0
Mexicans	0	0	0	0	0	0	2	2	2	0
Norwegians	4	0	0	4	2	0	12	14	10	0
Panamanians	0	0	0	0	0	0	1	1	1	0
Paraguaians	0	0	0	0	0	0	13	13	13	0
Peruvians	0	0	0	0	0	0	5	5	5	0
Poles	3223	8250	0	11473	3136	7524	274	10934	0	539
San Dominicans	0	0	0	0	0	0	2	2	2	0
San Salvadorians	0	0	0	0	0	0	3	3	3	0
Soviets	23	0	0	23	0	0	0	0	0	23
Stateless	258	14841	0	15099	196	1440	508	2144	0	12955
Swedes	0	0	0	0	3	0	16	19	19	0
Swiss	21	0	0	21	14	0	0	14	0	7
Turks	126	0	0	126	103	0	0	103	0	23
Ukrainians	3579	115	0	3694	3635	1318	1	4954	1260	0
Uruguains	0	0	0	0	0	0	5	5	5	0
United States	22	0	0	22	22	0	35	58	36	0
Unknown & Unclassified	0	566	500	1066	0	0	0	0	0	1066
Vatican	1	0	0	1	0	0	0	0	0	1
Venezuelans	0	0	0	0	0	0	5	5	5	0
Western Europeans	44	349	0	393	60	445	5	510	117	0
White Russians	2969	630	0	3599	3178	1606	0	4784	1185	0
Yugoslavs	6666	34597	0	41263	5644	8101	315	14060	0	27203
TOTAL UNITED NATIONS DPs	20242	66342	500	87084	19282	27331	2170	48783	4005	42306
Sudetens	0	5977	0	5977	0	42939	0	42939	36962	0
Bulgarians	0	27	0	27	14	62	1	77	50	0
Germans	5830	32918	3000	41748	4171	8409	875	13455	0	28293
Hungarians	441	17005	0	17446	563	8500	72	9135	0	8311
Rumanians	958	15338	0	16296	532	2819	99	3150	0	12846
Volkdeutsche	4602	37720	4500	46822	6133	55294	4841	66268	19446	0
TOTAL EX-ENEMY DPs	11831	108985	7500	128316	11413	118023	5888	135324	56458	49450
Austrian Refugees	15836	60576	0	76412	4952	53927	0	58879	0	17533
GRAND TOTAL	47909	235903	8000	291812	35647	199281	8058	242986	60463	109289
Balance 2 Nov 1945				291812	Balance 30 Nov 1945			242986	Net Loss	48826
Decrease from 2 Nov to 30 Nov 1945										48826

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REPARATIONS, DELIVERIES & RESTITUTION DIVISION

SYNOPSIS

The month of November 1945, has been a month of increased progress in taking under control properties of United Nations nationals and of the German Government and its nationals. The prevention of the dissipation of assets and the preservation of the income derived therefrom has been accomplished. A workable system of property control has been established with standardized and simplified property control forms, applicable to all Lands, having been issued. An increasing number of claims and inquiries have been received from both our State Department, representing the interests of its nationals, and from individuals. These claims and inquiries have been processed promptly, and the desired information furnished, whenever possible.

The locating of displaced art and cultural objects is nearing completion, with the major portion of the Non-Austrian objects in art collecting centers or restored to the rightful owners. Problems of transport and packing material were solved and the objects were removed from the various caches hidden in the mountains before the winter snows made the roads impassable. The Austrian collections of art and cultural objects will be turned over to the Austrian government when a responsible Austrian guard can be furnished for the various deposits. Military guards are being used on only two of these deposits at present. One shipment of paintings, tapestries, and sculpture has been returned to the Austrian government in Vienna. The more famous of these paintings will be shown in the exhibit at the Vienna Museum scheduled to open on 15 December.

Another important phase of the work of the Monuments and Fine Arts Branch is the restoration of war-damaged buildings of historic and artistic significance. As the major portion of these buildings are in the International Zone in Vienna, the projects are handled on a quadripartite basis. Temporary measures are being taken to preserve the interior of these buildings from the winter snows and rains, with the permanent repairs to be started as soon as weather will permit in the spring.

The progress in the salvaging archives has been retarded by a lack of properly trained personnel. This work involves a mass of detail and painstaking research.

Action on reparations has not been taken pending further interpretation of the Potsdam Protocol.

Restitutions have been limited to fine arts and cultural objects. Valuable collections of these looted objects have been returned to France, Netherlands, Russia, and Austria. These are to be followed soon by others. The Austrian restitution included the return of one of the largest radium collections in Europe, to the Radiological Institute in Vienna. There has been one exception to the policy of making restitution of art and cultural objects only to the Allied Nations. This exception was the return of the highly significant Sacred Hand of St. Stephan to the Hungarians. This gesture had a tremendous morale effect on the devout Hungarian people.

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LibraryFile Folder I L-330Box 51**R. D. & R. DIVISION****PROPERTY CONTROL**PROPERTY CONTROL

1. General.

In analysing the general mission of the property control function of Military Government it was realized that a priority rating must be set up for the work to be accomplished. The most important function of property control is the protection of property against undue loss, either through looting, dissipation of assets due to poor management, or lack of care and maintenance. As business enterprises will suffer the greatest loss of capital when improperly administered, the Land Property Control Officers were instructed to make a special effort to take that category of property under control, with real estate and farm lands following in that order of priority. Emphasis was next placed on getting as many pieces of property as possible under control by posting the property and appointing the Administrators and later securing the financial reports and statistical data for completed records. This has resulted in a condition where, although a great number of properties are actually under control, the completed records are not on file in the Property Control Branch of the Reparation, Deliveries and Restitution Division. This condition is illustrated graphically in Chart V.

Another prime reason for the necessity of a stringent priority system was the inadequacy of Property Control personnel, both in quantity and in experience. A temporary alleviation of this critical condition has been the securing of Officers and Enlisted Men, on a temporary duty basis, from tactical field forces to work under the direct supervision of the experienced personnel available. This is a stop-gap measure and real progress will be contingent on the securing of permanent personnel.

2. Categories of Properties:

Although many properties subject to control still remain outside the jurisdiction of property control officers, enough data has been accumulated to indicate a definite trend in the classes and categories of controlled properties. The following is a brief discussion, with related charts, of the various types of properties:

a. Business Enterprises. (See Chart I)

A total of two hundred and twenty-one (221) business enterprises have been taken under control as of November 30, 1945. Of this number, forty-three (43) are in Land Salzburg, one hundred seventy-seven (177) in Land Oberoesterreich and one in Vienna. These represent the most complicated of the properties to supervise and administer. The policy of Property Control provides for management through the appointment administrators, in such a manner as to realize the maximum benefits possible for either the United Nations national owner or the ultimate reparation account.

b. Real Estate. (See Chart II)

A total of three hundred and one (301) real estate properties have been taken under control as of 30 November 1945. Of this number, one hundred seventy-nine were in Land Salzburg and one hundred twenty-two (122) were in Land Oberoesterreich. A large majority of these properties are either owned by Allied Nations' nationals, or are alleged to have been the subject

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R. D. & R. DIVISION

MONUMENTS & FINE ARTS

of forced sale. The next largest category is that of property formerly belonging to Nazi Party members. This class of property is largely non-income producing and will probably revert, at a later date, to the Austrian government for disposition.

c. Currency and Precious Metals. (See Chart III).

A total of twenty-five (25) separate caches of currency, gold, silver, or other metals have been located and taken under control. This was largely the property of the German Government. This category will not show an increase unless additional caches are found.

d. Works of Art. (See Chart IV).

Seven collections of art and cultural objects have been taken under control with one collection having been returned to its rightful owner as of 30 November 1945. (See Part II - Monuments and Fine Arts for additional details).

e. Other Properties. (See Chart IV)

There have been thirty-nine (39) properties of a diversified or "catch-all" category taken under control as of 30 November 1945. Two (2) groups of this category have been returned to the rightful owners.

f. Summary

Properties of all classes and description under control as of the period covered by this report, total five hundred ninety (590).

	<u>Business Concerns</u>	<u>Real Estate</u>	<u>Currency & Precious Met.</u>	<u>Art Objects</u>	<u>Other Property</u>	<u>TOTAL</u>
Allied Nations' nationals	12	52			2	66
Austrian State	3	21	3	3	2	32
Nazi Party & Party Leaders	67	175			24	266
Other Enemy Govts. & Nationals	11	10	6	2	5	34
German Govt. & Nationals	127	37	16	1	4	185
Other Property	1	6				7
Totals	221	301	25	6	37	590

II. MONUMENTS AND FINE ARTS

1. General.

The month of November 1945 brings the Monuments and Fine Arts work of the United States Forces in Austria into the "home stretch". The work which started prior to 1 August 1945, under the supervision of highly skilled and thoroughly experienced personnel, has been systematically carried to a point where the task of completing the restoration of displaced art and cultural objects in Austria is reduced to a few minor details.

There remains as unfinished work the restoration of the war-damaged buildings of historic and artistic significance. The preliminary work required

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MONUMENTS & FINE ARTS

to set up projects for restoration has been accomplished. The starting of actual construction is contingent on the availability of labor, material, transport and suitable weather. As the work is centered in the international zone of Vienna it is handled on a quadripartite basis. In the majority of cases provision has been made for the erection of temporary shelters to prevent further damage to the interiors from the weather.

2. Deposits.

Twenty-two (22) deposits were located in Land Salzburg and nineteen (19) in Land Oberoesterreich. Of the total of forty-one (41) deposits, twenty-eight (28) contained Austrian material only, and the remaining thirteen (13) contained both Austrian and Non-Austrian objects. The policy has been to clear those deposits which contain non-Austrian art and send the material to Collecting Points for later restitution to the owner nations. The Austrian museum officials have been encouraged to clear their own deposits as rapidly as possible, the necessary assistance being furnished by the United States MFA officers. The collections will be handed over to the Austrian Government at the earliest practicable time.

CLEARANCE CHART OF NON-AUSTRIAN COLLECTION

Location	Cleared	Partially Cleared	To be Cleared
Alt Aussee		X	
Bad Aussee	X		
Fischorne		X	
Hallein	X		
Kogl			X
Leopoldskron			X
Lichtenberg		X	
Michealbeuren			X
Mittersill		X	
Mondsee			X
St. Florian			X
St. Gilgen	X		
Sieghartstein			X
Totals	3	4	6*

* Four (4) of the six (6) deposits remaining to be cleared contain only a small amount of material. Kogl and Mondsee deposits have a considerable amount of material.

3. Collecting Points.

Three Art Collection Points are being used at present. The Collecting Point at Munich serves as the reception center for those art objects of Non-Austrian ownership which were removed from the mine at Alt Aussee.

The Abbey at Kremsmunster is the Collecting Point of the Austrian art material which is being returned to Austria from Munich.

The Property Control warehouse in Salzburg is used as the Collecting Point for all non-Austrian art evacuated from deposits other than the mine at Alt Aussee.

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R. D. & R. DIVISION**MONUMENTS & FINE ARTS****4. Work Accomplished.**

a. The first of the projects undertaken was the clearance of the mine at Alt Aussee. There was a two-fold reason for giving this collection first priority of attention.

- (1) The importance and great numbers of objects comprising the collection.
- (2) The mine at Alt Aussee is located in mountainous terrain and the approach of winter would render the roads hazardous for transport of art objects.

This project was started in July by specialists of the Third Army. When the command of this area was shifted to USFA, a slight delay was experienced while permission was being secured to continue the evacuation of the contents of the mine to the American Collecting Point for Displaced Art in Munich. The facilities available at Munich are such that the inventorying and cataloguing can be carried on with speed and accuracy due to the reference library available there. A representative of the MFA, USFA, was sent to Munich to supervise and control the project at the Collecting Point. Two officers were furnished by MFA, USFET, to supervise the actual operation at the mine. The trucks, truck crews, and packers were supplied by Third Army. Approximately five thousand (5000) objects were removed comprising eight-six (86) truck loads. The mine was completely cleared of Non-Austrian art on 2 November. The Library of the German Archaeological Institute, also stored in the Alt Aussee mine, comprising 15000 cases is now in the process of being removed.

b. The Hertziana Library which had been removed from Rome on orders from Hitler and stored in the salt mine at Hallein, near Salzburg, and in the castle of Lichtenberg, has been moved to the Property Control Warehouse in Salzburg. This operation was completed 9 November.

c. The entire contents of Villa Welz, at St. Gilgen, which included many French paintings, prints, ceramic and art literature, has been removed to the Property Control Warehouse in Salzburg. This collection was acquired by Herr Welz during the occupation of France by the Germans and was to be a part of the Landesgalerie in Salzburg.

d. The castle at Schloss Fischorne, which contained a large amount of material looted by the Nazis from the Museum and University Library at Warsaw, Poland, has been checked, inventoried and is being removed to the Property Control Warehouse in Salzburg. This operation will be completed by 15 December.

e. On 17 November a carload of paintings, tapestries, and sculpture was returned to Vienna and handed over to the Director of the Kunsthistorisches Museum as recipient for the Austrian Government. These objects had been stored in the mine at Lauffen, but had subsequently been removed by Nazi fanatics and were recovered by American troops and deposited in the Property Control Warehouse at Salzburg prior to being returned to Vienna.

f. On 27 November the first of several shipments of art objects belonging to Austria, which had been removed from the mine at Alt Aussee to the Collecting Point at Munich during the Third Army operation in July, was returned to the Collecting Point at Kremsmunster, Austria; when complete the collection will be taken over by the Austrian Government.

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MONUMENTS & FINE ARTS

g. The famous painting "The Artist at Work" by the Dutch 17th century artist Jan Vermeer, and formerly in the Czernin Collection in Vienna, was returned to the Austrian Government. This painting had been appropriated by the SS for the Hitler Museum at Linz. It was later taken to Alt Aussee and eventually to Munich. Delivery was made to the Director of the Kunsthistorisches Museum, who received it for the Austrian Government on 28 November.

h. A token delivery of art objects was made on 20 November by an officer representing the Netherlands. This delivery involved thirty-one (31) paintings which had been looted from the Netherlands during German occupation.

5. Work Remaining to be Done.

Work is in progress or projects have been set up on all remaining work of the Monuments and Fine Arts Branch.

a. A program of urgent repair projects for war-damaged buildings of historic and artistic importance has been drawn up by the MFA representatives of the Four Occupying Nations with the assistance of the Austrian Monuments officials. This program includes repairs and restoration of the following buildings:

- (1) The Stephansdom
- (2) The Augustinerkirche
- (3) The Salvatorkirche
- (4) The Rupprechtkirche
- (5) The Savoyische Damenstift
- (6) The Albertina
- (7) The Kunsthistorisches Museum
- (8) The Lichtenstein Winterpalais

The permanent repairs on these structures will start when the necessary materials, and labor are available and weather conditions will permit.

b. There remains at the mine at Alt Aussee, the Library of the German Archaeological Institute from Rome, packed in 1500 cases. This library will have been moved to the Property Control Warehouse in Salzburg by 15 December.

c. All material looted by the Rosenberg Organization and stored, at present, at Schloss Kogl, will be removed to the Collecting Point at Munich by 26 December.

d. The art material now in process of being moved from Schloss Fischorne and Schloss Mittersill to the warehouse in Salzburg will be completed by 15 December.

e. The final shipment of Austrian art from the Collecting Point at Munich to the Abbey of Kremsmunster will be made on 14 December.

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f. The musical instrument collection originally from the Museum at Nuernberg, now at Schloss Sieghartstein, will be moved to the Property Control Warehouse in Salzburg by 30 December.

III ARCHIVES.

Progress in the salvage of archives has been retarded by the absence of the Chief of Branch, who has been hospitalized for the past three months. He has now returned to duty and the staff has been further augmented by a civilian specialist from the States.

The Archives of the Court-Chancery, the Protocols of the Councils of Ministers, the Records of the Ministry of Justice, and the Patens of Nobility, are under control at Bad Ischl. These documents will be turned over to the Austrian Government when suitable housing and necessary transport are available for their return to Vienna.

Documents relating to militarism and Nazism have been turned over to the G-2 documents center.

Field inspections are in progress to check the handling of local archives in the Laender, by Military Government Teams.

IV. REPARATIONS.

The Potsdam Protocol established the general policy for reparations in Austria. It did not, however, deal specifically with German-owned property in Austria. There is a large amount of property in Austria held under German title which may be subject to reparations as German external assets. The validity of the German ownership must be established. Policy governing principles to be applied in determining ownership of such properties are now under consideration on a governmental level. Allotments or removals on account of reparations will not be approved until a high level policy is formulated.

An operating procedure for handling the mechanics of reparation is being developed.

V. RESTITUTION.

1. The initial restitution policy provided for only the return of identifiable works of art and cultural objects. In accordance with this directive the restitution of art and cultural objects, which were moved into Austria during German occupation, is being made and will be concluded at an early date.

2. Recent directives broaden the policy of restitution. Steps are being taken to implement the directives and to develop a uniform procedure. Under the interim policy the following governments have been invited to prepare consolidated lists of items taken by Germans in order to facilitate identification of such property in the United States Zone: France, Belgium, USSR, Luxembourg, Netherlands, Norway, Denmark, Poland, Czechoslovakia, Greece, Yugoslavia. Restitution during the interim period will be made only to the above mentioned countries. After each list has been examined by the Zone Commander, the several countries concerned will be permitted to send small missions into the Zone for identification of these items and to arrange for their return. To date, there have been no lists received from any nation. It is expected that these are being prepared for early submission.

3. All properties which may be subject to restitution are being taken under control, recorded and held pending developments.

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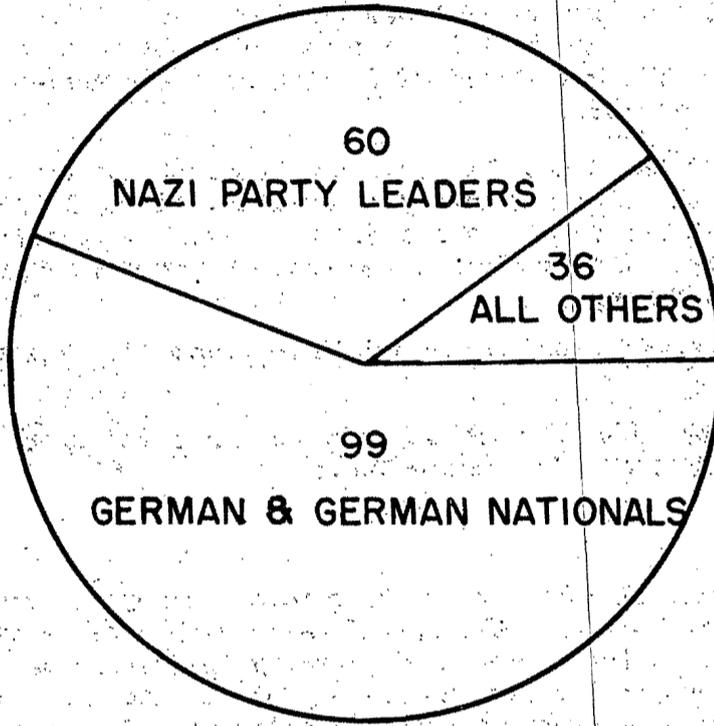
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R. D. & R. DIVISION

PROPERTY CONTROL

**177 BUSINESS CONCERNS
LAND OBEROESTERREICH**



**43 BUSINESS CONCERNS
LAND SALZBURG**

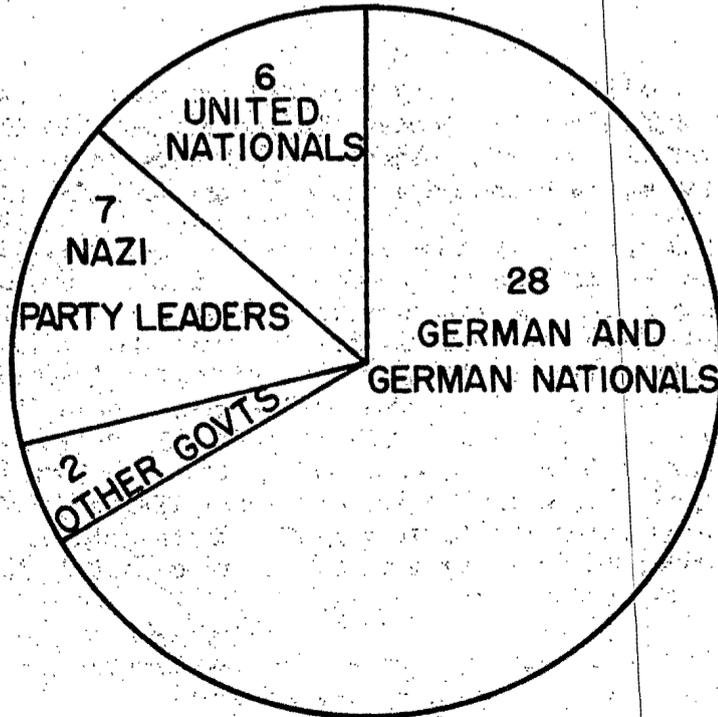


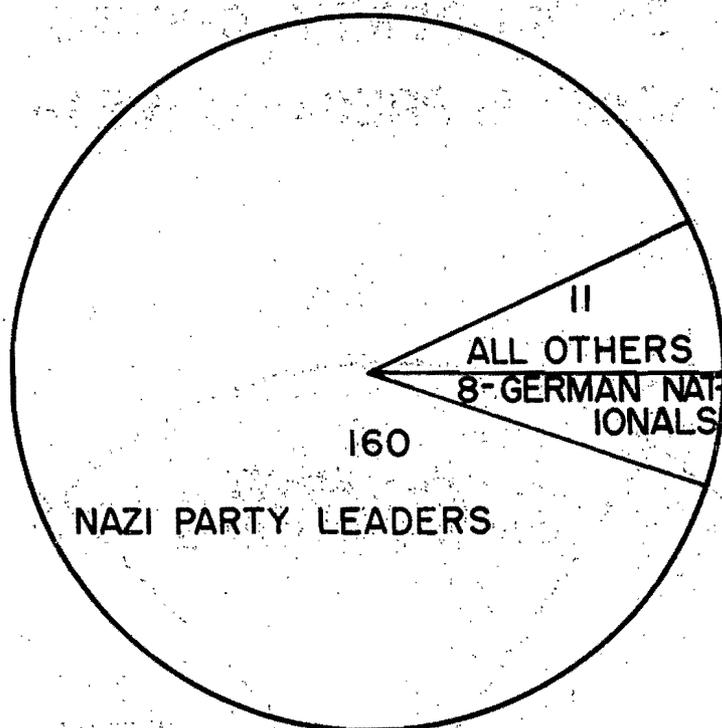
CHART 1

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R. D. & R. DIVISION

PROPERTY CONTROL

**179 REAL ESTATE PROPERTIES
LAND OBEROESTERREICH**



**122 REAL ESTATE PROPERTIES
LAND SALZBURG**

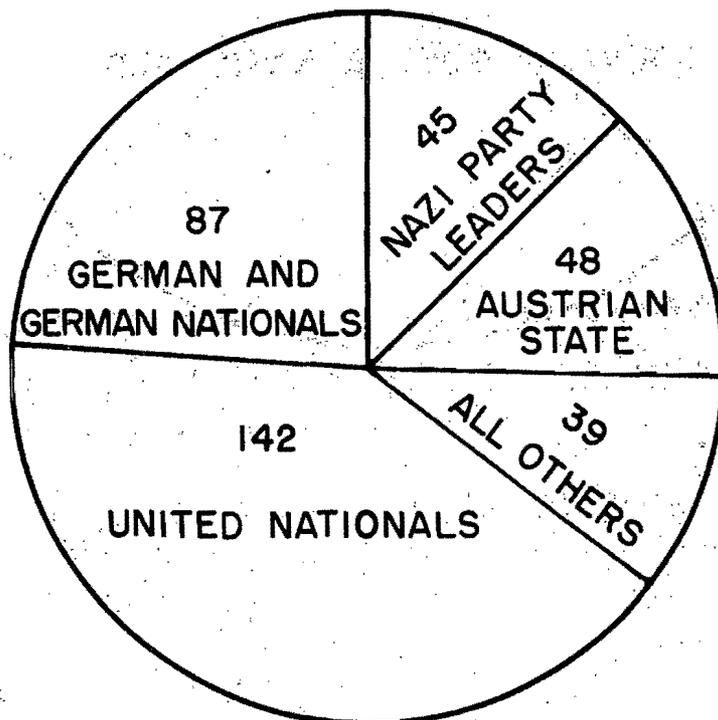


CHART 2

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PROPERTY CONTROL

25 PROPERTY GROUPS CURRENCY & PRECIOUS METALS

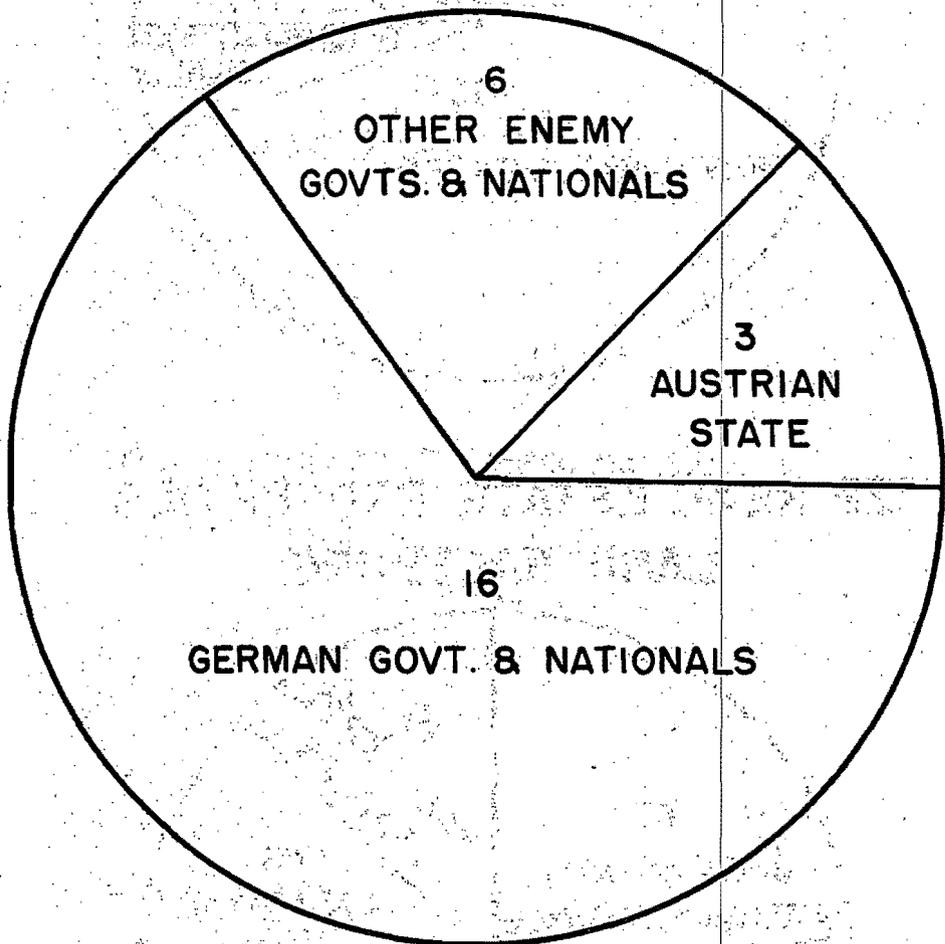


CHART 3

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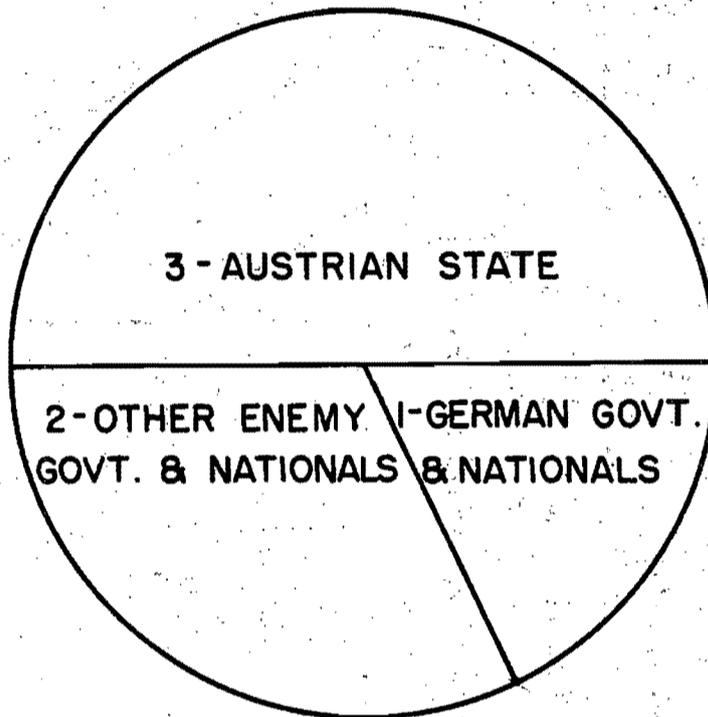
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R.D. & R. DIVISION

PROPERTY CONTROL

6 GROUPS OF ART OBJECTS



37 OTHER PROPERTIES

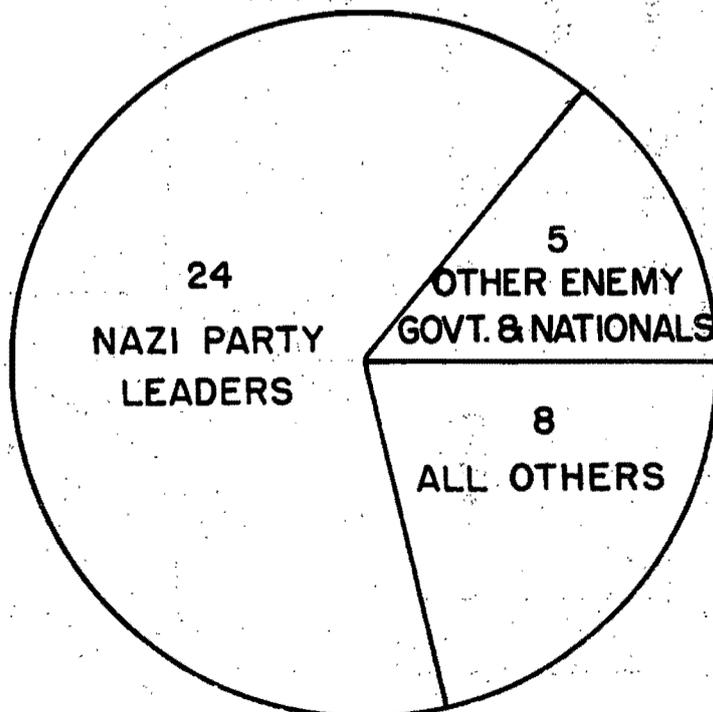


CHART 4

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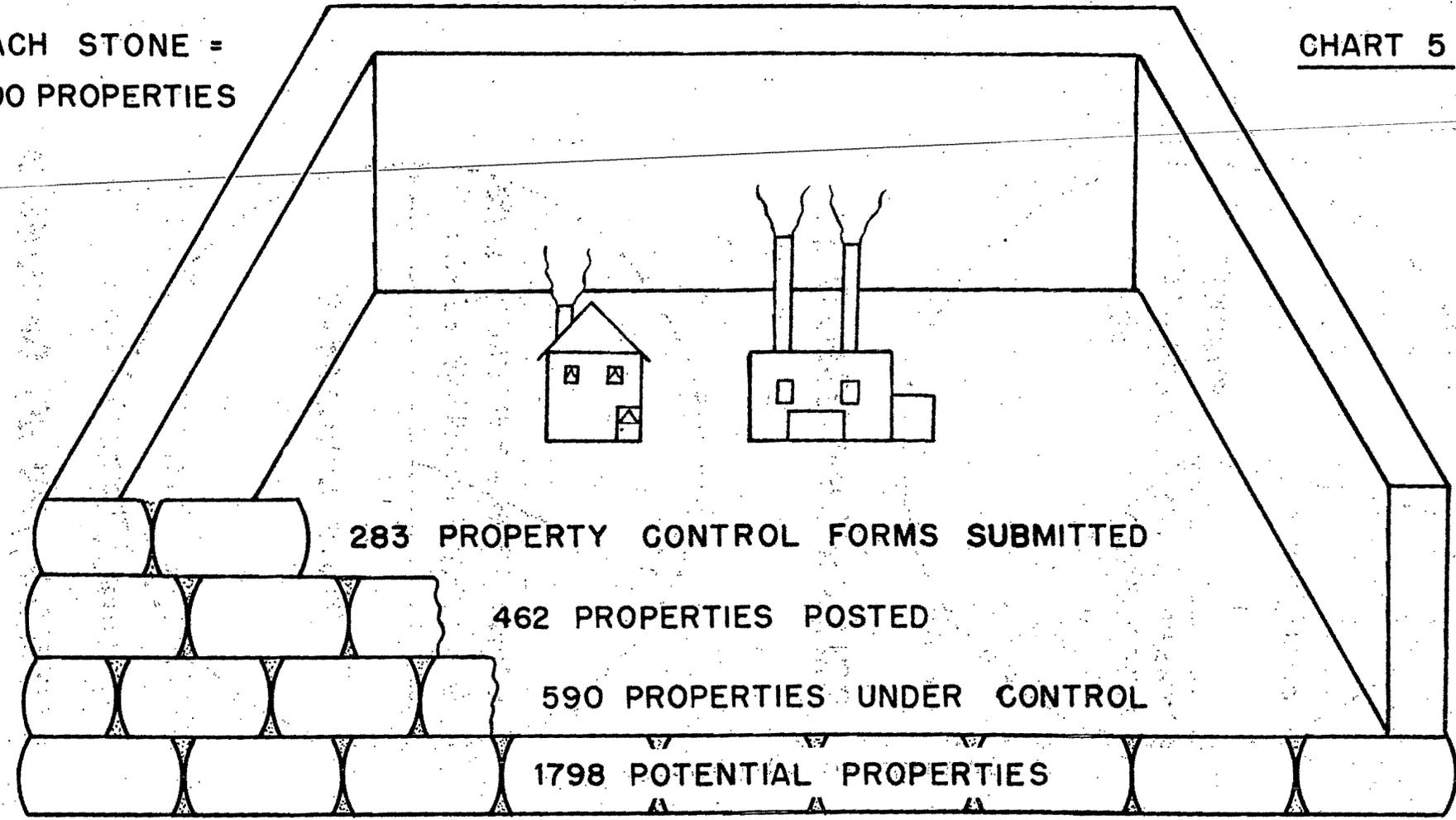
REPRODUCED AT THE NATIONAL ARCHIVES

PROPERTY CONTROL

R.D.&R. DIVISION

EACH STONE =
200 PROPERTIES

CHART 5



PROPERTY CONTROL PROGRESS CHART

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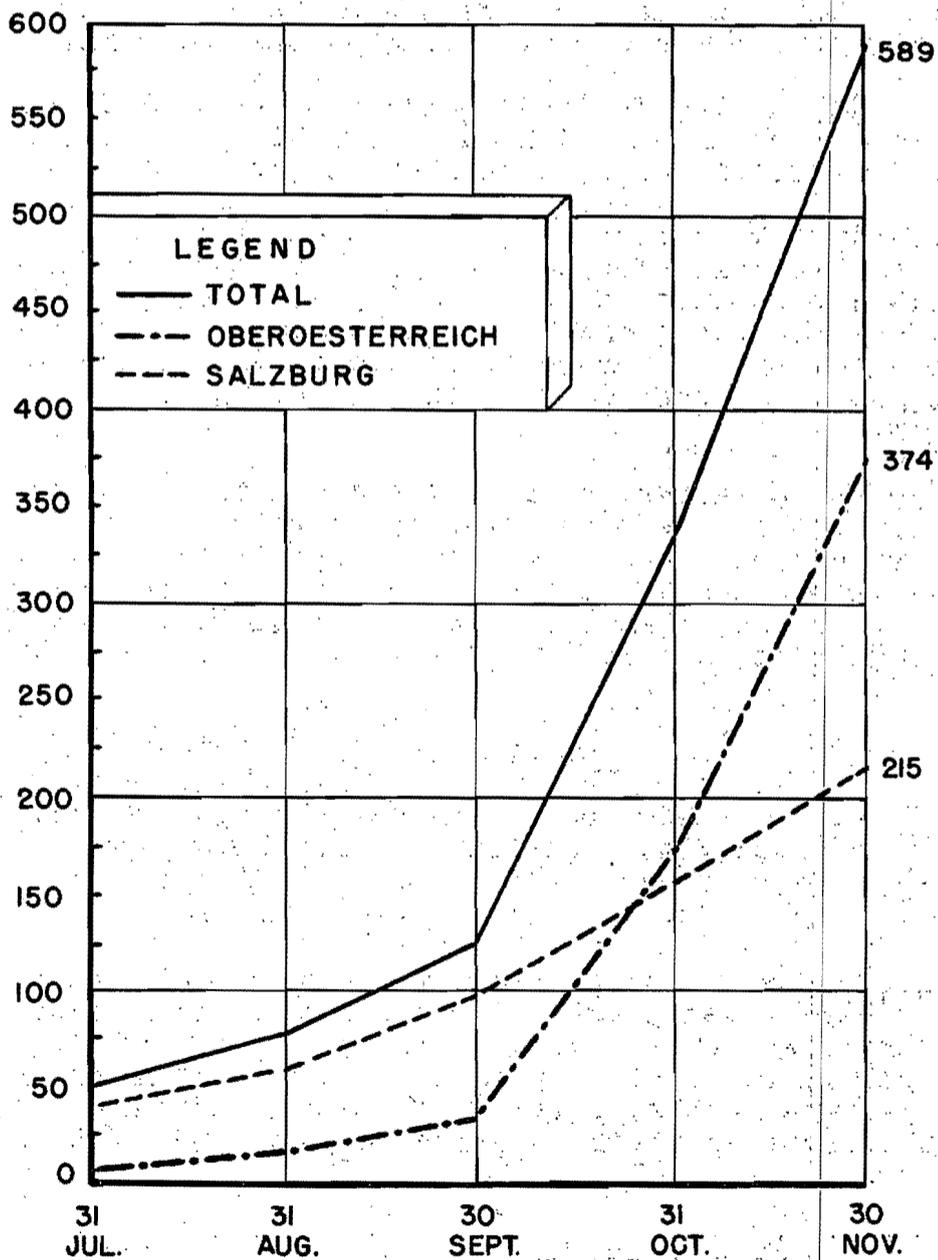
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R. D. & R. DIVISION

PROPERTY CONTROL

MONTHLY SUMMARY PROPERTIES UNDER CONTROL



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LibraryFile Folder IJL-330Box 51TRANSPORT DIVISIONINLAND WATERWAYSSYNOPSIS

There has been no traffic on the Danube in the American Zone and little activity other than the moving of boats from Passau and Regensburg, where they are in storage, to Linz for unloading. Danube is not open to international traffic and any passage of boats between American and Russian Zones requires a special pass for each trip. Efforts of the Inland Waterways Branch have been mainly devoted to promoting the clearance of the Tulln Bridge.

Highway Maintenance and operations in the American Zone have been efficiently handled by the Land Military Government officials. Plans were initiated by the Quadripartite Transportation Committee to set up a highway maintenance and repair branch under the Austrian Government and to make the officials in charge of these operations in the Lande responsible to the Government.

Activity of the Tariffs Branch has been mainly devoted to the gathering of information in preparation for requests for changes in tariffs which we know are about to come.

Municipal Transport has been basically a local Military Government problem. Inspections indicate that local municipal transport managements have been doing an excellent job of getting their plant and equipment to as near normal as can be expected considering loss and damage to equipment due to the war. Outstanding work has been done by the Vienna Municipal Transport Management.

Repairs to railway equipment and rights of way have continued at about the same pace established this summer. The Linz Railway Directorate has shown itself extremely capable from a business management and engineering point of view and today this section of the Austrian railways in the American Zone is in much better condition than in any of the other zones in Austria.

INLAND WATERWAYS

General: The two most important subjects concerning Inland Waterways are the return of Danube craft belonging to Allied and liberated countries, now held by us in the Upper Danube; and the opening of the Danube to shipping of all nations.

Tulln Bridge: The American Members of the Transportation Committee have taken general supervision of the project to remove sufficient of the damaged bridge at Tulln to permit traffic past this point. By joint agreement with the Russian Members we have each supplied barges and a floating crane to enable the Austrian river construction authorities to carry out this work.

Preparations for Winter: Most of the river craft belonging to USFA have been temporarily moved up the river in German territory at Passau and Regensburg. During the month most of

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REPORT OF U. S. COMMISSIONER

REPORT OF U.S. COMMISSIONER, AUSTRIA - NOVEMBER 1945

The outstanding constructive events in Austria during the month of November, 1945, were the national election and the adoption of a currency conversion plan. Other matters of significance were (1) the receipt of an appeal for economic assistance from Dr. Renner, dated 5 November; (2) the continuation of a deadlock on the pooling of economic resources, including food; (3) progress on evacuation of displaced persons and disarmed enemy forces; (4) the shelving of the question of governmental powers to be reserved to the Allied Council; (5) good progress on review and approval of the decrees and orders of the Renner Government; (6) evidence of a disposition on the part of the Renner Government to cavil at instructions from the Allied Council.

ELECTIONS

The first free national election in Austria since 1930 was held on Sunday, 25 November 1945. In the election and in the campaign which preceded it, the Austrian people gave an impressive exhibition of their democratic capacity. The campaign was conducted by all three major parties in a vigorous, serious and generally orderly manner. The registration was heavy. The total of 3,418,276 compares favorably with 4,121,282 in 1930. The fact that approximately 93 percent of the registered voters cast valid ballots is convincing evidence of the public interest and the representative character of the results.

The Nationalrat, or lower house of the Parliament, will be composed of 85 People's Party (Volkspartei) members, 76 Socialists and 4 Communists, according to the informal returns.

The Landtage, or provincial legislatures, chosen at the same time will have People's Party majorities in all the Laender, except Carinthia and Vienna where the Socialists will control. The total party strengths in the nine Landtage will be People's Party, 213; Socialists, 179; Communists, 15 and Democratic Party (authorized only in Carinthia), 1.

After their organization early in December, the various Landtage will choose the 50 members of the Bundesrat, or upper-house of Parliament. Reliable estimates are that the People's Party will win 38 of these seats and the Socialists 22.

The election law, adopted by the Renner Government, and approved by the Allied Council on 30 October, was based on the election law of the Austrian Republic with modifications to meet such extraordinary conditions as denazification and prisoner of war voting. It provided for the former method of voting, a party list system of proportional representation.

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Registration was closely watched and carefully screened, particularly to prevent the enrolment of former Nazis. The special boards appointed to review registration cases had disposed of all complaints before election day. It is believed this work was well done.

No charges of fraud and no complaints from either parties or individuals have been received since the election. One trivial case of disorder at the polls occurred in Burgenland.

The holding of such a full, fair and free election throughout Austria, despite many distressful economic and social conditions, only six and one-half months after V-E day is highly creditable to the Austrian people and to the Armies of Occupation.

CURRENCY CONVERSION

During the first two weeks of November intensive discussion of the currency conversion problem gradually reduced the points of disagreement. The progress of the Austrian banknote printing made reasonable the assumption that conversion could be made into Austrian national schillings early in December. The Soviets, therefore, agreed to advance the date of starting the conversion and gained their point on a single conversion into national schillings. The Soviets also agreed to earmarking an adequate amount of the new currency for civilian use and to leave discretion to the Austrian authorities on the relaxation of relatively mild blocking restrictions.

The Soviets were adamant, however, on the question of submitting their military expenditure to the Allied Council in any way. They insisted that subject was not a part of the conversion and could be handled only by the respective Commanders-in-Chief directly with the Austrian Government which must make available whatever sum was named.

The crisis came at a special meeting of the Allied Council on 16 November. Agreement was reached upon all points, except the manner of meeting military expenditures. After it seemed that a definite impasse had been reached, a personal conference of the Commanders-in-Chief resulted in an agreement that they would exchange information as to their respective military expenditures before presenting their demands for funds directly to the Austrian Government.

On this basis, the Austrian Government was directed to pass the necessary legislation to carry out the conversion between 13 and 20 December. After some hesitation and strongly worded protests this was done and the Allied Council approved the law on 30 November.

When the conversion has been effected, Austria will have a single new currency. The danger of further inflation by the

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REPORT OF U. S. COMMISSIONER

importation of Reichsmarks will have been eliminated, but so long as the total of military expenditures remains indefinite the Austrian national budget cannot be made up and a firm base will not have been laid for financial and economic reconstruction.

APPEAL FOR ECONOMIC ASSISTANCE

In a memorandum, dated 5 November, Dr. Renner, transmitted to the Allied Council, an appeal for economic assistance from the Provisional Government and the Provincial Conference, dated 25 October. This document appealed to the Governments of the Allied Powers and the Allied Council to avert disaster from famine, frost and pestilence during the coming Winter. It dealt chiefly with the problems of (1) displaced persons, (2) food, (3) fuel and power, and (4) medical supplies. An important proposal was that control of some of these vital matters be placed in the hands of joint civilian and military government boards or committees. It also strongly urged the pooling of all available food, fuel and power; and proposed the nationalization of the few Austrian coal mines.

The appeal was referred to the appropriate Quadripartite Divisions for study and recommendation. They have been discussing the difficult questions involved assiduously. There is unanimous agreement as to the desirability of pooling available resources, but only the British and U.S. up to the end of the month were willing and able to state they would meet their fair share of overall deficits. The Soviets profess to believe that the Austrians are not making the utmost of their own resources, but in our opinion they are doing as much as can be reasonably expected so long as the demarcation lines continue, and the little additional they could do if those lines were removed would palliate but not settle the problem.

The Austrian requests as to displaced persons have been met as far as possible now, but the only promising approach to substantial relief of the food problem is through UNRRA aid. UNRRA representatives had arrived before 30 November and were exploring the situation. The prospects for obtaining a considerable tonnage of hard coal from Polish Silesia are encouraging, and negotiations are in progress with the German Control Council to switch some electric power from Tirol through Bavaria to relieve the critical power situation in Vienna.

DISPLACED PERSONS

The repatriation of displaced persons slowed down during the month because of transportation difficulties and the reduction in the numbers easily repatriable. A total of 45,745 were evacuated from U.S. occupied territory during November. Of these, 20,994 were Austrians and 24,751 were displaced persons of other nationalities. Since organized movements began in June, 458,333 persons have been evacuated from U.S. occupied areas, or 71.2 per

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cent of those uncovered to date. As of 30 November, there were in the U.S. occupied parts of Austria, a total of 243,506 displaced persons and refugees. United Nations displaced persons total 48,793; ex-enemy displaced persons, 135,324 and Austrian refugees 58,873.

Good progress was made on the program to winterize the camps still occupied by displaced persons and it is expected that it will be completed before severe cold weather begins. The ration scale for United Nations displaced persons has been increased to 2300 calories per day. UNRRA participation in the control of United Nation and stateless displaced persons was extended.

GOVERNMENTAL POWERS RESERVED TO THE ALLIED COUNCIL

Despite repeated efforts, no way was found to reconcile the conflict between the Soviet viewpoint and that of the other Allies on the questions of direct diplomatic representation and trade and financial relations between Austria and the four occupying powers. Upon suggestion of the British Commissioner, therefore, it was agreed on 16 November to lay the question of reserved powers aside until the ratification of a new agreement between the four governments as required by Article 14 of the EAC agreement on Control Machinery for Austria.

The Executive Committee was, however, directed to start at once upon a study of the nature and extent of Allied guidance in Austria in the light of Article 14 and important questions which may arise from the recognition by the four powers of a duly elected Austrian Government.

DECREES AND ORDERS OF THE RENNER GOVERNMENT

Good progress has been made on the review and approval of the decrees and orders of the Renner Government. The basic approach adopted, was that the Allied Council should not concern itself with the political, economic or social purport of these decrees and orders so long as they were in accord with Allied policy. The task has been tedious because each decree or order had to be translated into three languages, studied in its legal and technical aspects, and varying viewpoints reconciled in the Quadripartite Legal Division before presentation to the Council.

When the powers of the Renner Government were extended on 20 October, more than 200 of these decrees and orders had been issued, and this number has since been considerably increased. By the end of November, 157 decrees and orders were approved by the Allied Council without change, amendments were ordered to 11, and only 4 were disapproved. Thus approximately three-quarters of the Renner Government's legislation is now in effect throughout Austria.

As a result of various developments in the course of this work by the Legal Division and of certain actions by the Renner

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Government, the Allied Council has deemed it necessary to inform that Government, (1) that all legal texts in any form whatsoever, must receive the Council's approval before being promulgated; (2) that the extension of the validity of Austrian legislation to the whole country must not be construed as a renouncement of the Allied Council's supreme authority over the Austrian Government and all its agencies and acts; and (3) that the new National Assembly must study with the least possible delay all legislative enactments of a constitutional nature by the Provisional Government and first of all those which affect the liberty and independence of Austria as well as the democratic form of its Government. The purpose of the last directive is to end as quickly as possible powers which were necessarily exercised by the ministers of the Provisional Government during the interregnum period, but which are incompatible with a democratic form of government.

It is worthy of note that among the amendments ordered by the Allied Council were requirements which would, in effect, establish the basic principle of the habeas corpus writ in Austria and prohibiting to the Austrian Government the functions of propaganda and censorship as incompatible with democracy.

ATTITUDE OF RENNER GOVERNMENT TOWARDS ALLIED CONTROL

Several incidents have occurred during November which indicate either a lack of clear understanding by the Renner Government that the Allied Council is the supreme authority in Austria, or a desire to test that authority.

The first incident to come to the attention of the Allied Council was the fact that on 6 November the Renner Government had approved a decree fixing 10 November as the date on which all its previous decrees and orders would become applicable throughout Austria. On 8 November, General McCreery, as Chairman of the Allied Council, called Dr. Renner's attention to the fact that in the communication addressed to him by the Allied Council on 20 October, it was stated that all legislation would be submitted to the Allied Council for approval and that only after such approval had been given would it become applicable to the whole of Austria. General McCreery requested Dr. Renner to have an official statement inserted in the next issue of all newspapers which had carried the original report, to the effect that only those laws would be applicable to the whole of Austria on 10 November which had previously been approved by the Allied Council. Dr. Renner complied with General McCreery's request the same day.

On 9 November Dr. Renner submitted to General McCreery a long letter on the general subject of the method of approving Austrian legislation from which the following are pertinent extracts:

"Now, it has been agreed upon by the Government and the Allied Commission and has been the usual practice so far, not to promulgate Cabinet decisions in the State Gazette immediately but to submit them to the Allied Commission requesting their scrutiny. If no objection is raised within a reasonable

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time, the Act is promulgated in the State Gazette and becomes valid. If an objection is raised, promulgation is withheld and the enactment of the Cabinet does not become valid."

"The Government has hitherto regarded the Allied Commission for Austria as designated to exercise a permanent function and competent to raise objections but it has taken into account that the high Allied Council could reserve that right of decision for itself."

"That instance made it clear to me that Censorship for enactments may be compared in many respects with the censorship of daily papers, for this also has to be ended promptly the day before they are published."

"Consideration of this nature have convinced the Cabinet that The Allied Commission is competent to exercise censorship for legislation and not the higher authority of the Allied Council meeting only three times a month."

"So far all enactments of the Cabinet - with the one exception mentioned already - have been submitted to the Allied Council prior to promulgation and were promulgated only when no objections have been raised within a reasonable time."

"The same happened in the case of the Law Extension Act mentioned. Out of regard to the whole matter having been considered already by three Provincial Conferences and all previous enactments having been with the Allied Commission for a considerable time the Cabinet assumed in its decision, and that decision is certainly permissible, that any objections intended to be raised would have been raised until the 10th November. If an objection is raised the Act is not promulgated; if a later date is requested the enactment is passed by the Cabinet with the date altered. That the scrutiny of this Act of four paragraphs would require a longer time for deliberation than the time until 10th November was outside the scope of the reflections of the Cabinet meeting. The various acts to be extended must have been a matter for consideration by the appropriate Sub-Commission of the Allied Commission for a long time."

"Censorship by the Allied Commission cannot therefore be one of a technical legislative and administrative nature, but exclusively a political one, thus being only a political censorship and not a sort of substitute - or Super Parliament. As far as at least ninety per cent of the enactments are concerned scrutinizing the tendency of our laws cannot possibly require so much time."

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"The following questions would have to be decided on and the decision intimated to the Provisional Government.

1. Is it the Allied Commission which is competent to exercise censorship or is it the Allied Council? The Provisional Government considers untenable a decision in favour of the latter. This function can only be exercised by a permanent authority accessible at any hour, since laws have to be issued as quickly as possible and have to become valid sometimes immediately if the situation we are faced with is to be mastered.
2. Is it to be understood that recognition of the Provisional Government implies its right to legislate? Without such right, which at the moment only this government can exercise - and should shortly be exercised in conjunction with parliament - it would only be a semblance and shadow of a government and unable to fulfil its duties to its people.
3. Indubitably, that right to legislate is subject to scrutiny by the Allied Authorities by a procedure to be laid down according to a certain manner as regards method and scope. Therefore it ought to be made clear:
 - (a) Does the High Allied Council feel inclined to provide for laws to be scrutinized as to their political tendency only and not as to their contents as regards civil and public law which cannot affect the interests of the occupying powers?
 - (b) Does the High Allied Council feel inclined to outline, once and for all, the tendencies to be observed or shunned so that the Provisional Government, and later on Parliament and Government, obtain a directive for their conduct?"

While this letter was still under consideration, it was discovered that the Renner Government had promulgated four laws late in October without prior approval of the Allied Council. This fact was brought to the attention of the Allied Council during its extraordinary meeting on 16 November. The Council instructed its Chairman, General Bethouart, to make the necessary representations to the Austrian Government and to have its laws suspended until they had been properly approved. General Bethouart carried out the instruction of the Council on 16 November.

At its meeting on 30 November, the Council adopted a formal reply to Dr. Renner's letter of the ninth. The pertinent sentences in the reply read: "The Allied Council, in order to remove any misunderstanding, categorically lays down that all legal texts in any form whatsoever, must receive the Council's written approval before being promulgated".

The next incident arose from the fact that on 10 November the Council approved five laws of the Renner Government, provided these laws were first amended in three respects. The second prescribed amendment read: "Any person held longer than 15 days without charges under authority of Austrian police may, if he so desires, be brought before the Staatsanwalt of the Volksgericht

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who shall determine whether there is sufficient evidence to justify his continued detention in order that he may later be tried before a competent court, and if not such person shall be released." Informal information indicates that the Renner Government is most reluctant to accept this amendment and up to the end of November had not complied with the instruction.

The last incident concerns the currency conversion. At its meeting on 16 November, the Allied Council directed the Austrian Government to submit a draft law relative to conversion by 22 November at the latest. This law was to conform to the plan for currency conversion which the Council had adopted on 16 November. Instead of complying with this instruction, Dr. Renner, under date of 23 November, informed General Bethouart, by letter, that following a decision of the Cabinet Council on 23 November, the currency conversion law could not be passed because of the amounts of the costs of occupation. He requested an opportunity for a delegation, headed by himself, to submit to representatives of the four Powers the reasons why his Government could not see its way clear to adopt the law in question. This letter was considered by the Executive Committee at its meeting on 27 November. The Soviet member refused to agree to receive such a delegation. It was, therefore, agreed to instruct the Finance Committee to invite the Austrian Finance Minister to explain to it, on 28 November, the obstacles which the Renner Government had found in the way of complying with the instruction to adopt the law.

The Austrian Finance Minister submitted a memorandum to the Finance Committee on 28 November. This memorandum set forth in temperate language objections to the amount of Austrian schillings which the Allied Council required to be made available for the occupation troops. It discussed the legal aspect of occupation costs, made the observation that the number of the occupation troops was in striking disproportion to the small size of the occupied country, offered to place at the disposal of the occupying powers the funds strictly necessary "as an advance, subject to a later settlement of the terms of a treaty", which they asked be submitted to the National Assembly dealing with the question of occupation costs, separate from currency conversion. The memorandum asked that this treaty should be presented to the National Assembly since Austria is recognized by the Allied Powers as a liberated country. It was pointed out that so long as the question of occupation costs was left indefinite, normal budgeting would be impossible and the hope of creating a stable currency by the issue of Austrian schillings would be precluded while any depreciation in the newly issued schillings would seriously shake the people's confidence. It further proposed that the following points be made the subject of negotiation: (1) Recognition of the principle that occupation costs should be settled by a special treaty; (2) Reduction of the amount of bank notes for military needs; (3) That the sum thus reduced be subjected to appropriate blocking measures corresponding to those imposed on the civil population; (4) That a fixed sum for occupation costs be provided within the framework of the Austrian budget; and (5) Determination of payments at fixed intervals.

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At this same meeting of the Quadripartite Finance Committee, a draft conversion law which had been unofficially communicated on 24 November was examined and found to conform to the directive issued by the Allied Council on 16 November.

We are informed that there were further meetings of the Renner Government to consider the currency conversion law, at which agreement was not reached.

At the meeting of the Allied Council on 30 November, however, a letter was received from the Renner Government stating that the conversion law had been approved "with the reservation that the Allied Council will take into consideration the point of view of this Government on the question of occupation costs". The letter went on to state that the number of occupation troops had evidently not been settled according to the security requirements of Austria but rather on the basis of military balance between the Allied Powers and that Austria could not be held responsible for the cost of this occupation which could not be considered as justified by the demand for security within the state. It also renewed the requests submitted in the Finance Minister's memorandum and concluded with a paragraph which stated that the Austrian Government could not admit "Austria's obligation for a payment of occupational cost".

At its meeting on 30 November the Council approved the currency conversion law with a minor amendment and directed the Chairman to dispatch immediately to the Chancellor, instructions to the Renner Government to implement this law immediately without any other qualifications or reservations. As to those parts of Dr. Renner's letter which commented upon the occupation troops, the Council were in accord that this letter constituted an attempt to sow discord between the occupying Powers and that contained political references without any bearing on conversion which could not be tolerated. Consideration of these references rested with the respective governments and with the Allied Council. It directed the Executive Committee to prepare an answer in accordance with the opinions expressed above and stating that the size of the forces of occupation was a matter for decision by the respective Governments. This letter was agreed upon by the Executive Committee at its meeting on 4 December, approved by the Commanders-in-Chief and sent.

The question remains whether these incidents are the result of unfamiliarity with a novel system of control and basically reasonable objections to the indefiniteness of the currency conversion plan in so far as it deals with military expenditures, or whether they are the result of a deliberate attempt to renew the tactics of which were pursued by the Austrian and German Governments following the end of the first World War, whereby through quibbling and arguing on every possible point, they were able, first to divide the Allied and, finally to wear them down to the point where many provisions of the peace treaties were never executed. The Allied Council has so far taken the position without hesitation, that it is the supreme authority in Austria and will tolerate no evasion of its instructions.

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REPORT OF U. S. COMMISSIONER

PROGRESS OF ALLIED CONTROL AUTHORITY INCLUDING CONTROL COMMISSION

The Allied Control Authority, including the Control Commission, made substantial progress but the situation still leaves much to be desired. On the whole, all elements became more accustomed to working with each other and the meetings were conducted more expeditiously except when such difficult questions as currency conversion were under consideration.

Some of the Quadripartite Committees meetings are severely handicapped by the refusal, or neglect, of Soviet members to attend, or their lack of instructions which permit them to cooperate when they do attend. Personal conferences and better acquaintance on all levels have done much to increase mutual confidence and understanding and to facilitate operations. The unavoidable handicap of working with three languages is still increased by the poor quality of the interpreters in some cases.

AUSTRIAN GOVERNMENTAL ORGANIZATION

The Austrian governmental organization has continued without important change during November and appears to be functioning reasonably well under the existing conditions. No important complaints municipal and Land government have been received nor have there been any important difficulties arising as a result of the extension of the powers of the Renner Government throughout the country.

DE-NAZIFICATION

During the period 29 October to 25 November a total of 452 persons in all categories were arrested and an additional 246 were removed from public office and positions of economic influence in the same period in the U.S. zone. This brings the total number of arrests to 25 November, in the U.S. zone to 8036. The number of removals effected with the cooperation of G-2 to that date total 865, but many more were removed from office in the initial stages before consolidated records were kept.

The elimination of overt Nazi organizations in Austria and the break-up of the system by which the Nazi Party controlled Austrian life is believed virtually complete. The removal of known Nazis from positions of influence in government and public administration has been effected and efforts are now being concentrated on eliminating Nazi control over the economic life of Austria. In line with the directive of the JCS 1369/6 paragraph 7b, steps have been taken in the month of November to review individual cases and release such persons as are no longer deemed a threat to the accomplishment of our mission. The arrangements for release will be coordinated with the Austrian government as soon as their de-Nazification procedures are approved by the Allied Council. Steps have also been taken to turn the continued

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REPORT OF U. S. COMMISSIONER

epuration of Nazis over to the Austrians subject to approved policies and supervision by U.S. de-Nazification agencies.

The political rehabilitation of the Nazis has become a vital issue in a country whose voting strength is roughly divided equally between the two large parties. In the November election the Nazis were denied the franchise, but the Peoples' Party made a strong, and successful bid for the Nazi-sympathetic vote. Since the election, the Socialists have also evidenced an interest in providing political amnesty for ex-Nazis. It is considered essential to supervise closely the Austrian de-Nazification measures without, however, interfering in their internal politics, in order to prevent the recrudescence of Nazism or Fascism in any form.

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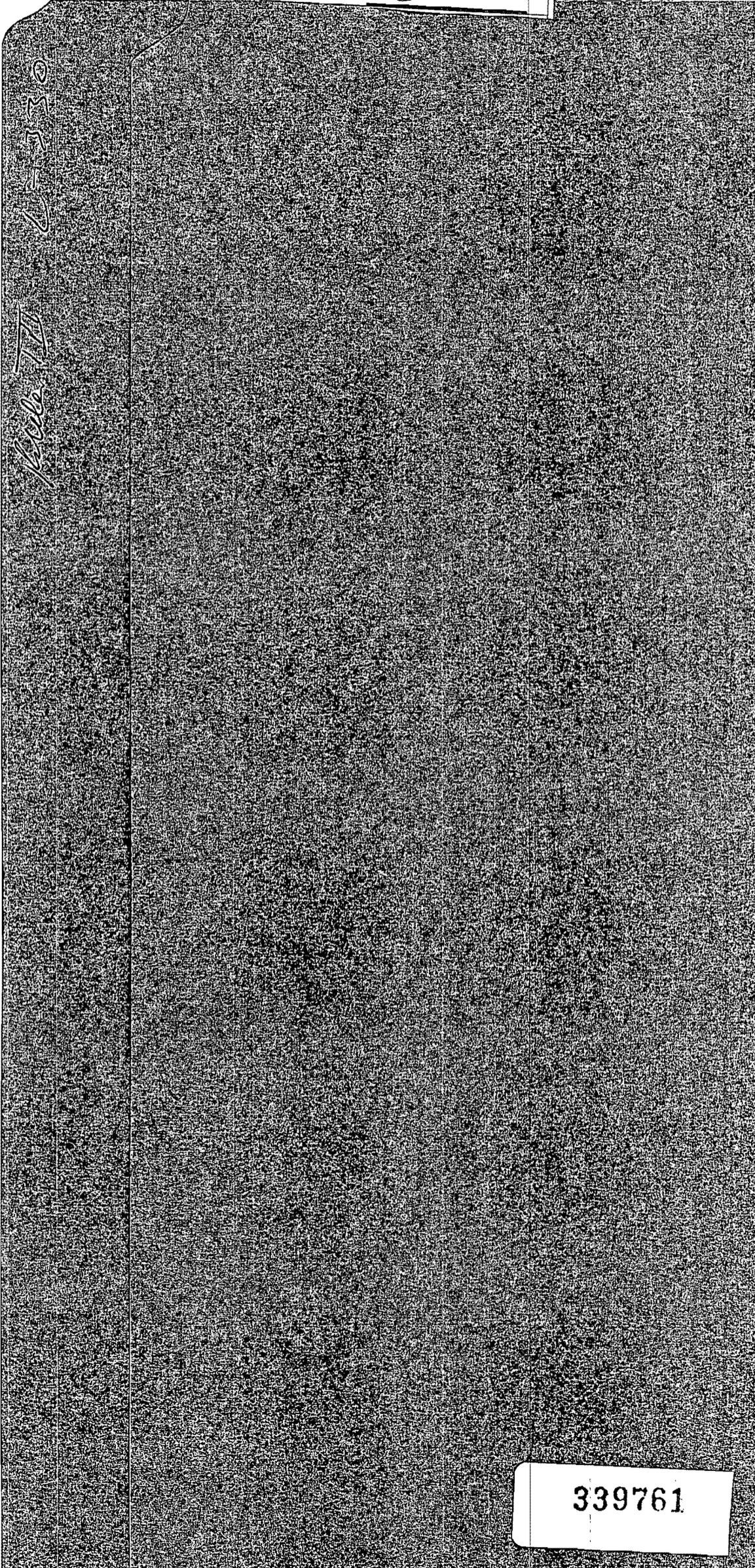
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**MILITARY GOVERNMENT
AUSTRIA**

*Annex
to
Report of the
United States Commissioner*

*February 1946
No. 4*

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Folder III L-330R. D. & R.MONUMENTS & FINE ARTSBad Aussee

Two cases of French flags from the Invalides, Paris, have been transported to the Property Control Warehouse, Salzburg, to await collection by French authorities.

Altaussee

Material of French origin stored in the mine by the Dorotheum, Vienna, was catalogued and the French were informed.

Kunsthistorisches Museum

Four paintings of French origin in the collections of this Museum were located in Lauffen Mine and in Vienna. The French authorities were informed.

Vienna

French claims upon material from the armor collection of the Musee de l'Armee and upon certain pictures all located in the Dorotheum, were investigated in collaboration with the British MFA Advisor, and were made available for restitution.

Linz

An investigation was made by U. S. and French officials of French art objects in environs of Linz, including St. Florian Monastery, Steyr, Eferding, Linz Museum, and three villas in Linz. The major portion of the material sought was located. The French representative is returning next month to supervise arrangements for the transport of these objects directly to Paris.

Welz Collection

Interrogations of persons related to the activities of the Gallerie Welz were made. No complete inventory of the Welz purchase in France had been found, although additional paintings were located in Salzburg and were taken into U. S. custody. Of the approximately 450 paintings in the collection known to be of French origin, only 67 have been located.

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52R. D. & R.MONUMENTS & FINE ARTSDUTCH MATERIAL

Of the art objects purchased in Holland and located by the Netherlands art investigator in Vienna and various places in Land Salzburg, the items in Salzburg were packed and removed to the Property Control Warehouse. One of the more valuable paintings, Van Gogh's Poppyfield, was removed from Lauffen mine and turned over to the Central Collecting Point, Munich, for restitution to the Netherlands. A few objects on the Dutch list were still missing, and investigation continued.

POLISH MATERIAL

The Polish collections in the Property Control Warehouse and in the Haus der Natur, Salzburg, were ready for shipment. The Polish representative was in Warsaw making arrangements for Polish guards to come to Salzburg to accompany the shipment to Poland. The Polish Government is making arrangements with the Austrian State Railways for the necessary freight cars. The collection, the first to be restored to Poland, is scheduled to be released to the custody of Poland at Salzburg upon the return of the Polish representative.

ITALIAN MATERIAL

Approximately 150 additional cases of the Rome Hertziana Library were located in Land Salzburg and transported to the Salzburg Warehouse. The Italian Government was informed.

GERMAN MATERIALPrussian State Library

This Berlin library was located in Salzburg and moved to the Property Control Warehouse from which it was scheduled to be removed to the Central Collecting Point, Munich.

Ruck Collection

The musical collection of Nuremberg, stored at Sieghartstein, was packed and made ready for transport to Munich.

Mondsee

The Botanical Collection of the University of Munich was being packed for transport to Munich.

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52**R. D. & R. MONUMENTS & FINE ARTS**Sven Hedin Collection

This material, now in the Salzburg Warehouse, will be returned to Munich as soon as transportation is available.

AUSTRIAN MATERIAL

One carload of photographic material, property of the Austrian Staatsdenkmalamt, was transported from its storage place in Bad Aussee to Vienna.

Portions of several Jewish collections formerly in Vienna were located in Salzburg.

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Property Under Control

31. March 1946

Percentage Distribution of Component Parts

Ownership	
Other Enemy	2.7%
Austrian	2.9%
Other Property	5.1%
United Nat.	15.2%
German Gov. & Nat.	24.5%
Nazi Party & Lds.	49.6%

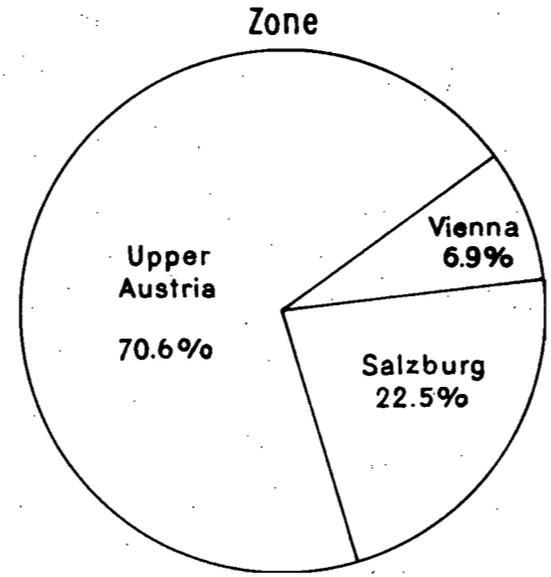


CHART I

Type

Other Property	6.2%
Business	26.9%
Real Estate	66.9%

REPARATIONS, DELIVERIES & RESTITUTION

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REPARATIONS, DELIVERIES & RESTITUTION

Procedure for Restitution to a United Nation

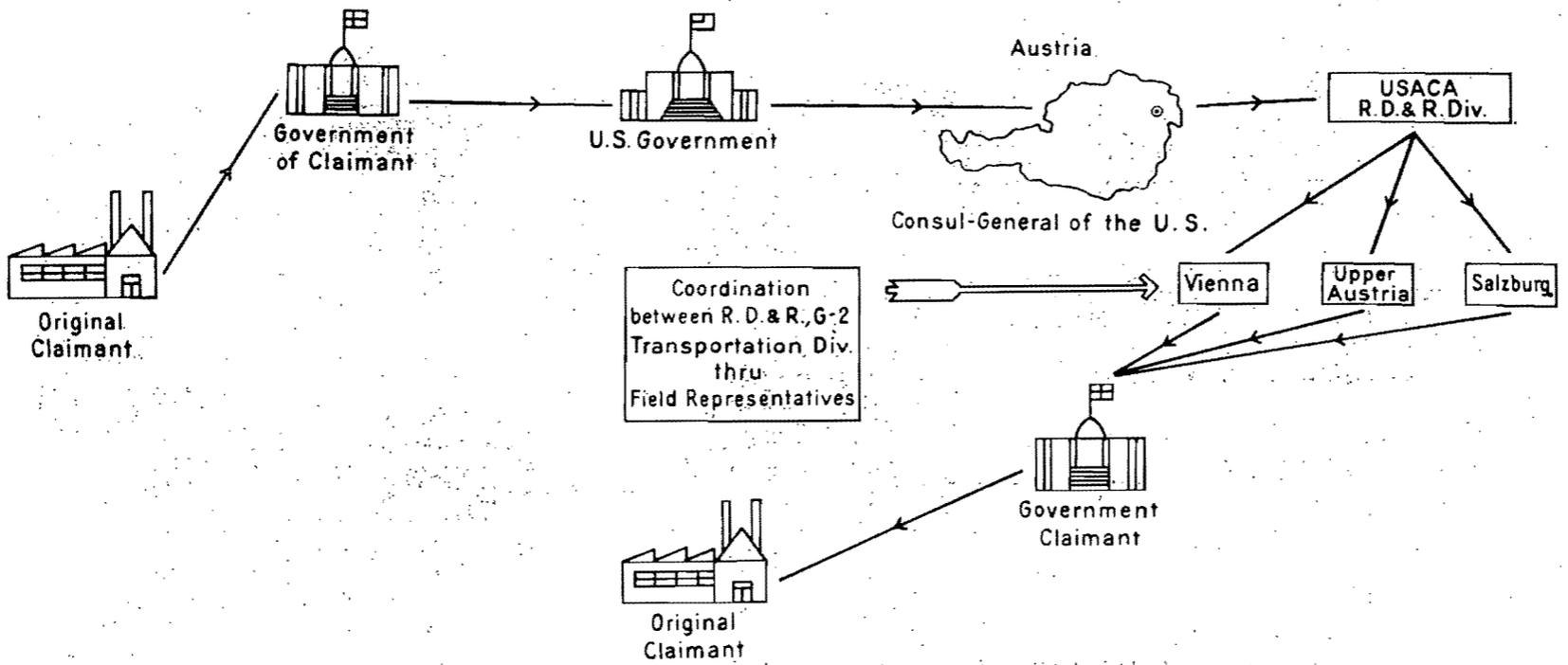


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Procedure for Restitution to an Ex-enemy Nation

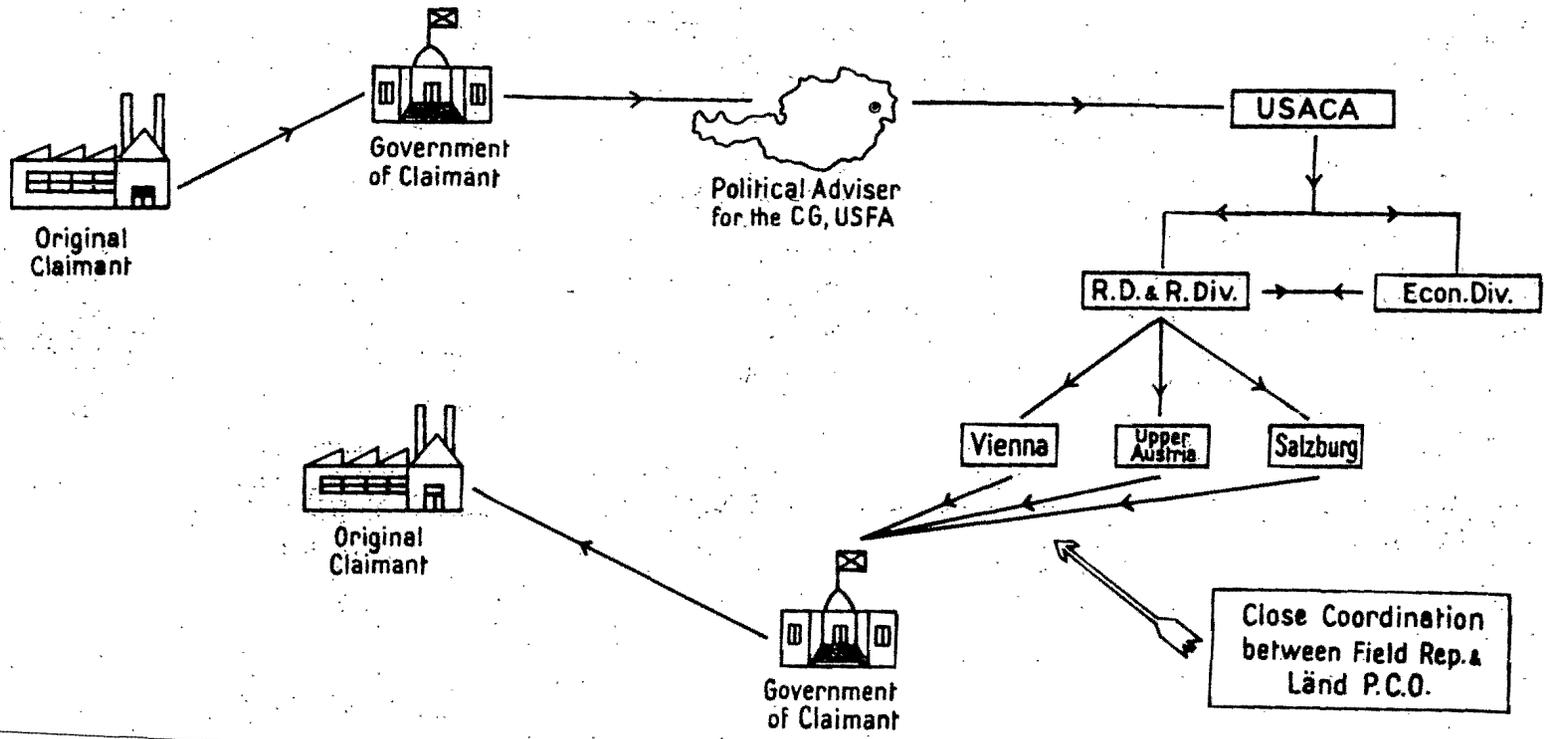


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