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**OUTGOING TELEGRAM**

**Department of State**

03816

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1954 SEP 10 PM 8 21

DC/T

SENT TO: Amembassy LISBON 77

RPT : HICOG Bonn  
Amembassy PARIS } by pouch  
Amembassy LONDON }  
253.6241/9-354

Bonn's 668/rptd Lisbon 8, Paris, London UNN. Portuguese Accord.

1. We were not aware February 1949 notes had not been given Germans. Had urged in our 280 and 294 Germans be given all documents and in absence report to contrary assumed this done. Suggest notes be given German delegation Lisbon now.
2. Regarding financial records former Legation recall your 202 reporting German files being examined to determine whether permitting Germans access would create difficulties. What was result this examination?
3. Regarding points (A) through (D) reference telegram believe Allied representatives should refrain from ~~discussing~~ negotiating Allied claims at this stage. Sole purpose current German-Portuguese negotiations is to establish terms for settlement Portuguese claims and eventual release German assets. Consider Allied claims subject to further negotiation only after German-Portuguese talks have reached point where possible final adjustment Allied and Portuguese claims would produce overall settlement.

253.6241/9-354

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SEP 10 1954  
253.6241/9-354

Drafted by: [Signature]  
EUR:GER:CEA:MJDux:gd 9/10/54

Telegraphic transmission and classification approved by: [Signature] Jacob J. Reinstein

L/E: Mr. Maure [Signature] WE: Mr. Beigel [Signature]

**S/S-CR**  
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2. of telegram to Embassy LISBON

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settlement accord problem. Information contained in points (A) through (D) may be useful to Embassy representatives in informal and casual discussions with German representatives if Germans express serious dissatisfaction with arrangements.

4. Consider inadvisable mention point (E). 180 million limitation already evident from supplemental letters given Germans earlier.
5. Point (F) reference telegram may be mentioned to Germans if appropriate occasion arises. Believe useful emphasize in Swiss accord settlement Swiss claims were not repeat not covered by value assets but were paid from other sources.
6. Reference Bonn's 557 and despatch 340, have no objection if Germans wish forego minute examination small properties and rely on reasonable estimates for setting value. However, cannot agree complete elimination from tabulation.

*Handwritten:* 253241/8-PL 5-4

*Handwritten:* Frank Gehrig  
 (R)

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**INCOMING TELEGRAM**

**Department of State**

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9/5/54, 2:30 a.m.  
CORRECTED PAGE 1

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FOA

FROM: Bonn  
TO: Secretary of State  
NO: 668, September 3, 5 p.m.

Control: ~~16~~  
Rec'd: September 3, 1954  
6:11 p.m.

*File*

JCV

SENT DEPARTMENT 668; REPEATED INFORMATION LISBON 8, PARIS, LONDON UNNUMBERED.

Subject: Portuguese Accord.

1. Met with Becker and Waldheim prior their departure Lisbon September 4. Outlined primarily for Becker's benefit long history of discussions re German assets in Portugal emphasizing importance we attach to finding solution which will enable us discharge trustee responsibility in acceptable manner. Stated again that settlement Portuguese and other neutral accord problems would facilitate progress on other asset problems. Germans gave no indication that they are willing to pay more to Allies and Portuguese combined than can be raised from contributions of owners of assets. They intend to make exhaustive study into present value of German assets and into validity of Portuguese claims which may last as long as two months. They again requested copy of exchange of notes placing parts of accord into operation, but seemed satisfied, at least temporarily, when we confirmed existence of notes which made operative accord except for Article V, VII and X. Possibly they will query Portuguese on this point. Suggest Allied representatives Lisbon explore once again possibility of providing Germans with copies of notes. They also repeated requests for financial records of former German Lisbon Legation. We suggested they explore this further with Allied representatives who might find it possible make available selected parts or provide information sought by Germans. Germans agreed contact Allied representatives promptly. Subject Department's further comments, suggest Allied representatives stress:

- (A) 175 million escudos demanded by Allies already much less than originally expected.
- (B) 100 million for Article VIII purposes firmly committed.
- (C) Remaining 75 million hardly large enough to permit a reduction.
- (D) Four tons gold represents reduction from original demand of 43 tons. Available evidence

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253 6241/9-354  
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-2- 668, September 3, 5 p.m., from Bonn

establishing that gold actually looted and acceptance of this fact by Portuguese might be helpful.

(E) Portuguese claims inflated and Portuguese accepted limitation of 180 million in earlier discussions.

(F) Considerable part of German property Reich-owned which should be available in toto to meet claims.

Becker expects to stay Lisbon about week to ten days initially, but has not yet told Portuguese. Waldheim will then take charge.

CONANT

MAM:RJB/1

(#) Omission. Correction to follow.

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253.6241/8-454  
XR 200.6241-GOLD  
XR 262.0041

FOREIGN SERVICE DESPATCH

FROM AMEMBASSY, LISBON

86

DESP. NO.

TO THE DEPARTMENT OF STATE, WASHINGTON.

August 4, 1954

OC/R

REF - - -

EUR INDEX

For Dept. Use Only	ACTION <u>EUR-9</u> <u>8-9</u>	DEPT I N F O OTHER	<u>REP-2 OC/R-2 OH-16 E-4 L-2</u> <u>TR-3 OAR-3 CIA-5</u>
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SUBJECT: Allied Committee for German Assets in Portugal

Should the conversations between the Portuguese and Germans, regarding Germans assets in Portugal, prove fruitful, the Allied Committee will be faced with several immediate, technical, bookkeeping problems. These were summarized by the Committee in the form of a memorandum which is attached as enclosure no. 1.

In the meantime, the French delegate on the Committee informally approached his Government on the same subject, and later submitted a memorandum to this Embassy outlining his Government's views on the most practical manner to handle the various items. His memorandum is attached as enclosure no. 2.

It is this Embassy's view that the French solution to the several questions is practicable and provides the easiest manner for the settlement of the remaining bookkeeping problems which the Committee will be required to meet should the coming talks between the Germans and Portuguese lead to a settlement.

The matter of liquidating the shares has run into an unforeseen snag. However, as it was agreed by the British and French Governments to accept the Department's solution, regarding the disposition of the proceeds of the sale of the shares, of turning them over to IARA (penultimate sentence of last paragraph to instruction no. A-171 of April 9, 1954), the matter is not being discussed in this despatch but will be the subject of a separate communication as the question is not germane to the bookkeeping problems.

It is recommended that the Department give its agreement to these technical bookkeeping problems in line with the French proposals contained in enclosure no. 2. The British delegate on the Committee is making similar representations to his Government.

RECORDS BRANCH

For the Ambassador:

DEPARTMENT OF STATE

Aaron S. Brown

Minister of Embassy

Enclosures:

1. Memorandum dated May 25, 1954
2. Copy of Memo - "Questions to be Decided".

CGilbert/mar  
REPORTER

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MEMORANDUM FOR THE DIRECTOR - DEPARTMENT OF STATE

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OF EUROPEAN AFFAIRS  
MESSAGE CENTER

RECEIVED  
DEPARTMENT OF STATE

1954 AUG 9 PM 3:56

Reply dtd 9/3  
1954 AUG 11 AM 11:20

HE - Mauer

DEPARTMENT OF STATE

DC/R  
RECORDS BRANCH

MEMORANDUM FOR THE DIRECTOR  
SUBJECT: [Illegible]

[Illegible body text]

[Illegible body text]

[Illegible body text]

[Illegible body text]

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: March 31, 1954

SUBJECT: Portuguese Accord

PARTICIPANTS: Mr. Sharp, British Treasury Agent  
Mr. Margolies, Officer in Charge, GEA  
Mr. Dux, GEA

COPIES TO: EUR - Mr. Reinstein  
GER - Mr. Lyon  
GEA - Mr. Dux  
L/E - Mr. Maurer  
WE - Mr. Beigel  
MN - Mr. Fletcher  
HICOG - Mr. Harris

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Mr. Sharp said that the Foreign Office had sent instructions to Bonn in regard to obtaining a reply from the German Federal Government concerning the proposals for settlement of the Portuguese Accord. The Foreign Office suggested that the Department send similar instructions to its representatives in Germany along the following lines:

The Allied proposal for an over-all settlement of all outstanding questions relating to former German external assets had been liberal. We have been gravely disturbed at the failure of the Germans to respond to these proposals although we had previously understood that the Federal Chancellor and Professor Hallstein had viewed them favorably. We regard the present German attitude on this question as a poor augury for our future relationship under the Bonn Conventions and we hope that high-level intervention will be able to get the discussions back on the right plane.

Mr. Sharp said that in a recent meeting with the German Government the Germans developed certain positions concerning the Portuguese Accord which seemed wholly unsound and likely to lead to further difficulties unless the negotiations are straightened out on a high level. It appears that they alleged:

- (1) the property in Portugal was theirs but was "in pawn";
- (2) Germany's transfer capacity had been exhausted by the Debt Settlement;
- (3) The Allied

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- (3) The Allied Portuguese Agreement of last Summer had prejudiced their position under Article 5, paragraph 3 of the Debt Settlement;
- (4) The so-called looted gold had been properly acquired by Germany under international law and therefore there was no compensation to be paid Portugal therefor;
- (5) The Israeli Agreement had amply met Germany's obligation with respect to refugees and further payments to the IRO, as contemplated by the Allies, were not warranted.

Mr. Sharp reported that the Foreign Office did not consider it useful to debate these issues with the Germans but proposed instead that the approach outlined above be followed. He noted that there would be no difficulty in countering the German arguments with positions that were well-known in Bonn. Mr. Margolies undertook to take this up directly and advise Mr. Sharp on the action we would take.

  
EUR:GHA:DFMargolies:acm  
4/2/54

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DEPARTMENT OF STATE INSTRUCTION

1136

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1136 FOR DC USE ONLY

NO. A-171 April 9, 1954  
SUBJECT: Special foreign issued securities in hands of Allied Committee of Allied Committee.  
TO: The American Embassy, LISBON

Reference is made to Lisbon's telegram 118 of December 22 and paragraph 3 of Department's telegram 194 of December 24 with respect to the special securities of non-Portuguese issue in the hands of the Allied Committee.

The face value of these securities (bonds and shares) according to country of issue is as follows:

Argentina	6,000 pesos
Switzerland	1,250 francs
Canada	35,625 dollars
Sweden	7,300 kroner
United States	2,000 dollars
France	500 francs
United Kingdom	100 pounds
Belgium - 10 securities of a Belgian -Congo mining co.	no face value

By reason of the manner in which the securities came into the control of the Allied Committee, it was believed that the securities might be looted. The Department undertook to check into the two American issued securities to see what light might be shed on the matter. Information was received with respect to the Cities Service bond that it was on the U.S. Scheduled List; that the Netherlands was claiming it as a looted security; and that the Netherlands was not claiming on the basis of a taking by force from an individual but on the basis of "technical" looting, that is, the Netherlands Government had been obliged to take worthless reichsmarks in the sale to the German purchaser. (Regarding the question of technical looting, while the Department does not fully subscribe to the Netherlands views on this subject the Department believes that the Netherlands may have a superior equity to claim the securities than the Allies would have to liquidate the securities and keep the proceeds). With respect to the second bond issued by the Southern Pacific Railway, an inquiry directed to that company elicited a letter to the effect that, because of the bearer nature of the bond, the company had no information as to ownership and that the bond did not appear on any stop or looted lists.

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DRAFTED BY: L:L/E:EMaurer:mj 4/9/54

APPROVED BY: Ely Maurer

CLEARANCES:

GEA Mr. Dux  
WE Mr. Beigel  
OAP Mr. Blacklow

APR 9 1954 P.M.

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No. A-171 LISBONPAGE 2

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In the light of the above, the Department believes that any procedure for the disposition of the securities should, within the limits of practicality, take into account the possibility of some securities having been looted. The Department suggests the following procedure:

1. The securities should be turned over to the Enemy Property Custodian of the country of issue if the Custodian wishes to receive them. In recommending this as the first step to be taken the Department has in mind that if a Custodian takes a security he will be able to turn it over to any claimant who proves that he is entitled to the security as looted property. In the event that no claimant shows up the Custodian would retain the security.

In view of the fact that the Allies have not turned over securities picked up in Germany to Argentina and Switzerland, the Department is agreeable to not offering <sup>the</sup> small amount of Argentine and Swiss securities here involved to custodians of these countries (paragraph 2, Lisbon's telegram 118). Department assumes these securities have not been vested, as this would raise special problems.

It might be pointed out in this connection that the United States Custodian desires to receive the Cities Service security, which security will, in due course, in the absence of untoward circumstances, be turned over to the Netherlands. However, the United States Custodian does not wish to receive the Southern Pacific security. The Custodian's office finished vesting German enemy property in April 1953 and it is not in a position to make any new vestings except for property which comes to it pursuant to an intercustodial agreement with another country. The Cities Service security interest was vested before April 1953 and therefore presents a different situation.

The Department notes that the British Custodian is not interested in receiving the one British issued security.

2. With respect to all securities remaining after the procedure in step (1) is taken, the Department suggests that a check be made with the issuing company, with a brokerage house, the Allied occupation authorities in Germany and with the Netherlands to ascertain if any of the securities appear on any stop or looted lists or have been the subject of a claim. In the event that the security is on such a list or is the subject of a claim the Department recommends that steps should be taken to turn over the security to the claimant. It might be pointed out that the sale of such a security might cause difficulties and embarrassment to the Allies. It is the Department's impression that the Secretary of the Allied Committee may have already done some checking regarding outstanding claims.

The Department considered as one possibility the turning over of a security to the issuing company with the thought that the issuing company would hold the security for a reasonable time to permit a claimant to make himself known, and if no such claimant appeared the company would retain the security. However, as a result of a communication with the Southern Pacific Railway the Department

ascertained

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No. A-171 LISBONPAGE 3

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ascertained that that company was not willing to accept the security and the company advised the Department that it believed other companies would have a similar reaction since the holding of securities for a possible claimant was considered troublesome and involving legal complications.

3. Securities not disposed of by (1) and (2) above may be sold. In this connection the Department assumes that the securities are bearer in nature so that a sale could be made without difficulty. With respect to the sale the Department would think it undesirable for the Department to act as the agent for the sale of any securities on the New York market. It prefers the Secretary of the Allied Committee to arrange the sale abroad. With respect to the proceeds of any sale it is believed that these should not be kept as part of the holdings of the Allied Committee, but instead should be turned over to IARA. The basis for this action would be that we do not consider these securities of non-Portuguese issue as German assets in Portugal.

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Enclosure to Despatch 3999  
 from HICOG, FRANKFURT, 6-20-51

C O N F I D E N T I A L

May 29, 1951

FIN/FIC/Memo(51)20

ALLIED HIGH COMMISSION  
FINANCE AND FOREIGN INTERESTS COMMITTEE  
FOREIGN INTERESTS AND CLAIMS SUB-COMMITTEE

To: Law Committee  
 Through  
 Finance and Foreign  
 Interests Committee

SUBJECT: Publication in the Official Gazette of the Allied High Commission of Notices to Owners in Germany of Property in Portugal whose Residence is in the Soviet Zone or whose address is unknown.

Reference is made to L./Sec(51)35 of February 28, 1951, subject as above, in which the Law Committee recommended that the Portuguese authorities be consulted whether it would not be preferable to publish the notices in question in a number of German newspapers of general circulation rather than in the Allied High Commission Gazette. The US Element of the Foreign Interests and Claims Sub-Committee conveyed the Law Committee's recommendation to its Government for comments and instructions. The Department of State, in its reply, associated itself with the view expressed by the Allied Committee in Lisbon (see FIN/FIC/Memo(51)4) that to obtain the approval of the Portuguese Government would undoubtedly result in undue delay. In order to expedite this matter, the US Government has made certain recommendations, set out in further detail below, with which the UK Government has associated itself. The French Element of the Foreign Interests and Claims Sub-Committee, after clearing the matter with its Legal Advisor, has also accepted these recommendations.

The Foreign Interests and Claims Sub-Committee has thus agreed on the following procedure:

- (a) Publication in the Allied High Commission Gazette of the required notices (VEDE FIN/PSC/P(50)40 FINAL appended to FIN/PSC/Memo(50)25 and FIN/FIC/Memo(51)4).
- (b) Simultaneous publication in two or more German newspapers of general circulation, including at least one Berlin paper.
- (c) Despatch of letters of notification to owners in the Soviet Area of Control.

The Foreign Interests and Claims Sub-Committee requests that the Law Committee advise it of the date when the notices mentioned in (a) above will be published in the Gazette so that simultaneous action with respect to items (b) and (c) above may be arranged.

For the consideration of the Law Committee there is attached hereto a draft text of the notice which is to be published in the Gazette.

MARIE E. JOHNSON  
 Duty Secretary

Enclosure:

Draft text of notice.

341914

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1012C O N F I D E N T I A LMay 29, 1951Attachment to  
FIN/FIC/Memo(51)20

NOTICE is hereby given that the owners of assets in Portugal named below or their lawful representatives, within thirty days from the date upon which this notice is published, may submit whatever may be alleged as pertinent in defence or objection against the proposed seizure of the assets listed opposite their names. Failure to submit pertinent matter in defence or objection within such thirty day period will be considered as tacit acceptance of seizure except upon proof of claim of force majeure. Matter in defence or objection may be submitted by delivery or by mail to the Inspeccao Geral de Credito e Seguros (Generalinspektion fuer das Kredit- und Versicherungswesen) at Lisbon, Portugal. Submission of such matter is hereby licensed under UK and US Military Government Laws No. 53. The provisions of this notice and license shall become effective upon publication.

(Here insert list of names given in FIN/PSC/P(50)40, Final and FIN/FIC/Memo(51)4.)

This notice is given by the Governments of the United Kingdom of Great Britain and Northern Ireland, the French Republic and the United States of America through the intermediary of the Allied High Commission for Germany in accordance with the provisions of the Allied Accord with Portugal on German External Assets dated 21 February 1947 and paragraph 1 of Article II of Portuguese Decree Law No. 37377 of 21 April 1949. The following extract from Portuguese Decree Law No. 37377 is quoted for the guidance of persons concerned:

(Quote excerpt from text of Portuguese Decree Law No. 37377 as given in German in FIN/PSC/P(50)40 Final.)

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FOREIGN SERVICE DESPATCH

FROM : HICOG - FRANKFURT  
TO : THE DEPARTMENT OF STATE, WASHINGTON  
REF : FIN/PSC/ (50)40 Final, LAW/SEC(50)144, FIN/PAM/Memo(50)60, LAW/SEC(51)59,  
FIN/FIC/Memo(51)4, LAW/SEC(51)35.  
SUBJECT: Public Notices to Owners of Property in Portugal whose residences are  
in the Soviet Area of Control or whose Addresses are Unknown

3811  
OF EUROPEAN AFFAIRS  
MESSAG  
to left  
London  
AIR POUCH  
APR 17 1951

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The Property Sub-Committee (now Foreign Interest and Claims Sub-Committee) agreed, as early as July 1950, that in cases where the addresses of citations forwarded by Portuguese authorities, through the intermediary of the Allied Committee for German External Assets in Portugal, could not be found or where they are residents of the Soviet Area of Control, public notice should be given by appropriate publication in the Allied High Commission Gazette (FIN/PSC/P(50)40 Final). The Law Committee, in LAW/SEC(50)144, suggested that appropriate publication of a notice of this kind would be in the Bundesanzeiger, and that to secure publication in the Bundesanzeiger it would be necessary to order German authorities to arrange for such publication.

In view of the instruction received from the Governments not to involve the Federal Government in any acts connected with the implementation of the Portuguese Accord, this suggestion was found unacceptable by the Property Sub-Committee. As an alternate solution, the LAW Committee suggested that Portuguese authorities be consulted as to the acceptability of publication in the Gazette which, as the Law Committee pointed out, is only effective in the Federal territory, and that their opinion be solicited with respect to the possibility of publishing the notices in question not in the Gazette but in German newspapers of general circulation. In FIN/PSC/Memo(50)60, the Property Sub-Committee replied that the Allied Committee in Lisbon had already been consulted regarding the method of substituted service and had stated that it appeared to be no concern of the Portuguese authorities what procedure is followed inside Germany as long as such procedure was valid under the laws in force in Germany. However, since the Law Committee insisted that inquiry be made in Portugal, the Allied Committee was again consulted. In reply, the Allied Committee stated that opening the question with Portuguese Authorities would merely result in undue delay and suggested that the publication be made in the Allied High Commission Gazette and simultaneously in two German newspapers of general circulation. For the reason stated in LAW/SEC(51)35, the LAW Committee still refused to arrange for the publication in the Gazette and requested that the Portuguese authorities be directly consulted.

Informal discussions in the Foreign Interest and Claims Sub-Committee indicate that the British as well as the French would not object to requesting the Portuguese authorities for their opinion as to whether publication should be made in the Allied High Commission Gazette, or in a number of German newspapers of general circulation, or whether the two methods should be combined. The United States element of the Foreign Interest and Claims Sub-Committee also favors making this inquiry, unless the Department per-

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- 2 -

ceives some objection.

ACTION REQUESTED:

Department's comments re approaching the Portuguese Authorities through the intermediary of the Allied Committee in Lisbon.

*William G. Daniels*  
WILLIAM G. DANIELS  
Chief, Property Division  
Office of Economic Affairs

cc: Lisbon  
London for ISG

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*100*

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FORM DS-323  
3-4-49

OUTGOING AIRGRAM

Department of State

1186

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CLASSIFICATION

HICOG,

Frankfort

A-3863 May 8, 1951

253.6241/4-1651  
1166

Reference is made to your despatch no. 3311 of April 16, 1951 (copies sent to Lisbon and London for ISG) regarding the delivery of remainder of the citations on German owners of property in Portugal. The Department agrees with the Allied Committee in Portugal that to obtain the approval of the Portuguese Government in the matter of serving the remainder of the citations would undoubtedly result in undue delay. Such has been the experience of the Allied Committee in dealing with the Portuguese on related matters.

In order to expedite this matter, the Department suggests that the following course of action be followed:

(1) In order to abide by the decision of the Occupying Powers not to involve the Federal Government in any acts connected with the implementation of the Portuguese Accord, these notices should not be published in the Bundesanzeiger. Rather, the notices should be published in the HICOM Gazette and simultaneously in two or more German newspapers of general circulation. The number of papers to be utilized, should be based on the area covered by the circulation of those papers selected. In regard to the delivery of citations to the residents of Eastern Germany, it is believed that at least an attempt should be made to notify the owners of the affected property, first, by writing letters to German owners in the East Zone, and second, by publicizing in Berlin papers or other papers which are known to have some circulation in the East Zone. Thus the Occupying Powers will have completed such action as is possible in attempts to deliver the remaining citations.

(2) After the above action has been undertaken, the Government of Portugal should be notified via Allied Committee in Lisbon as to action taken in serving of citations. If the Government of Portugal should object to the method of delivery or publication of any of citations, the Portuguese

then

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FRANKFORT A-3863

then can make their views known to the Governments of the Occupying Powers.

Please advise whether the above action is agreeable to British and French.

*Acheson*  
ACHESON

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*WRG*  
GEA Mr. Dux  
(Clrd in draft)  
/s/ WRG

*Raw*  
*WE* - Mr. Williams  
*MAURER* - Mr. Maurer

S/S-CR  
MAY 7 1951 A.M.

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863.441/8-1055

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, VIENNA 160  
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. August 10, 1955  
DATE

REF : DEPTTEL 142 and 144 of July 15, 1955; Dept. A-19 AUG 12 1955  
A/B/M

13 For Dept. Use Only	ACTION <b>ALAM #1</b>	DEPT. <b>RM/R-2 EUR 5 L 2</b>
	REC'D <b>8-16</b>	IN F O OTHER

SUBJECT: Cultural Restitution

In accordance with DEPTTEL 144 July 15, 1955 all art objects in the custody of the Austrian Federal Government and still under control of USCOA were released to the Austrian Federal Government for disposition on July 22, 1955. The release was subject to the restitution of certain art objects mentioned in DEPTTEL 144. Enclosure #1 is a copy of the letter to the Austrian Federal Government releasing the art objects.

Munich numbers 21525, 21839 and 22081 were not included on the list, as a formal restitution claim was filed for these art objects by the French Government and restitution was made on November 12, 1953 by USCOA. The original receipt from the Office of the French High Commissioner is being forwarded to the Department.

Salzburg G26 - Jan Gabrielsz Sonje's "Landscape with Big Tree in Left Fore-ground" was included, although it is believed to be identical with a painting which is the subject of an internal restitution claim pending before the Austrian courts. The claim was filed by Jean Engel who is now a French citizen. The claim did not fall within the external restitution program as the painting was not removed from Austria during the war. The claim will be decided in accordance with the Austrian internal restitution laws. An official of the French Embassy advised that the painting was not a part of the Rothschild collection in France and that the French Government withdrew its claim previously filed with USCOA.

The photographs of cultural objects, property cards and the information transmitted as enclosures to the referenced instruction were furnished to President Dr. Demus of the Bundesdenkmalamt. The summary of the report on the Holy Roman Empire regalia was not transmitted to him. No issue has arisen concerning the restitution of the Holy Roman Empire regalia since the resolution of the German Bundestag in 1952. The Austrian Government considers the German claim completely unfounded and have full information concerning this collection. It has been on public display in Vienna for the past three years. The collection was mentioned in EMBTEL 3209 June 29, 1955 only as an example of restrictions in the receipt with respect to the Austrian right of disposition. A duplicate copy of the receipt obtained from the old USACA files is being forwarded to the Department.

*WQL*  
 WQLoehr/plc  
 REPORTER

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 AUG 16 1955

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Desp. No. 160  
From ViennaOFFICIAL USE ONLY  
(Classification)Page \_\_\_\_\_ of \_\_\_\_\_  
Encl. No. \_\_\_\_\_  
Desp. No. \_\_\_\_\_  
From \_\_\_\_\_German Museum Collection from Kassel and Kiel (DEPTEL 142 July 15, 1955)

These collections located in the 1st District of Vienna are no longer subject to quadripartite control, as the Allied Commission ceased to function upon entry into force of the Treaty. Their disposition is now an Austrian matter.

Dr. Demus of the Bundesdenkmalamt advised that the Austrian Government has no intention of retaining these collections and he will propose to the Minister of Finance that these collections be returned to Germany as soon as possible after the troops have left Austria. He stated that the speedy return of these collections, as well as the unidentified paintings by German artists from the CCP Munich, would be a "generous gesture" for Austria to make to Germany. The Embassy recommends that no action be taken at this time, but that a request for the return of the Kassel and Kiel collections be postponed until all of the troops have left Austria. The Embassy believes that the Austrian Government will be reluctant to take any action until after the troop withdrawal. At that time the general question of the return of small properties in Austria will also most likely come up for consideration.

FOR THE AMBASSADOR:

  
James K. Penfield  
Deputy Chief of Mission
✓ Enclosures: 

Letter to the Ministry of Finance.

Original receipt from the Office of the French High Commissioner.

Copy of receipt for delivery of crown jewels and regalia of the Holy Roman Empire.

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 From \_\_\_\_\_

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 (Classification)

Page 1 of  
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 Desp. No. 160  
 From Vienna

C O P Y

Vienna, Austria,  
 July 22, 1955.

My dear Mr. Minister:

Reference is made to our letter of March 19, 1952 and the letter of the Bundesdenkmalamt Zl.60/res/1952 concerning the 967 art objects transferred from the Central Collecting Point Munich to Salzburg on January 18 and 22, 1952.

These art objects and all other art objects now in the custody of the Austrian Federal Government and still under the control of the office of the United States High Commissioner for Austria are released to the Austrian Federal Government for disposition. This release is subject to the restitution of the items mentioned in the list attached to this letter to the countries indicated therein, as these items have been identified as to former ownership in these countries. Additional evidence in support of the restitution of these items will be made available to you.

Sincerely yours,

James K. Penfield  
 Acting High Commissioner

Enclosure:

List of Art Objects.

His Excellency  
 Dr. Reinhardt Kamitz,  
 Minister of Finance,  
 Vienna

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Authority NND 887403  
By WDP NARA Date 7/28/00

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From Vienna

## LIST OF ART OBJECTS

This is the attachment to the letter dated July 22, 1955 from the Office of the United States High Commissioner for Austria to the Austrian Federal Government. The following art objects are subject to restitution to the countries named below:

## AUSTRIA

Inv. 2410 (895 LR872)	Lacquered card table. Holland 18th. 85, 5 x 80 x 80 (number appears on table)
Salzburg Numbers	
C16	Martin van Valkenburg: Tower of Babylon, 51 x 64.
C17	Martin van Valkenburg: City of Babylon, 51 x 64.
C18	Januarius Zick: Burial of Christ, 76 x 65.
C24	J.C. Droochsloot, 1640: Allegorical Scene with Angel and a Crowd at the Bank of a River, 103 x 152.
C25	Artist unknown-Dutch, 18th cent: Gentleman with Whig wearing a Blue Coat.
Munich Numbers	
2306/5	Michael Neder: Sitting Couple in the Kitchen, 29 x 35.
2399/29-228	Hans Makart: 200 drawings in 3 packages, (soldiers and a young man)

## FRANCE

Salzburg Number	
C26	Jan Gabrielsz Sonje: Landscape with Big Tree in Left Foreground, 91 x 101.
Munich Numbers	
2383/9	Eastern France, ca. 1400, St. Mary with Child, 81 h. (sculpture)
4673	Greek ? 4 cent. a.c., Head of Juno, 40 h. (sculpture)
4674	Roman (copy) Head Masculine, 38 h. (sculpture)

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From \_\_\_\_\_UNCLASSIFIED  
(Classification)Page 3 of  
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From Vienna

## GERMANY

B22 Hans Leciejewsky: Heads of Three Horses, 68 x 81.  
B24 Unknown artist-Modern: The Matterhorn, 70 x 91.

## Linz Numbers

3 Hans Makart: Bacchusfest, 130 x 320  
457 Nicolaus Galimard: Leda with the Swan, 133 x 203  
813 Edward Young: Bridal Train in the Mountains, 136 x 171  
889 August Fink: Landscape, Birches and Pond, 170 x 206.  
2574 Robert Kummer, 1860: Portugese Landscape.  
2587 Gerard de Lairese, 1673: Adoration of the King.  
2875 Carlo Cignani: Judgment of Paris, 134 x 193.  
3030 F.von Rayski: Hare Hunting, 206 x 153.

## HUNGARY

Approximately 1171 items usually described as the "Hungarian group" of paintings now stored in Salzburg. A detailed description will be furnished if necessary for further identification.

## ITALY

Linz Number  
2312 Venician, 17th cent: Commander and Bishop, 218 x 160.

## NETHERLANDS

Linz Number  
2597 Claus Molenaer: View of Leyden, 139 x 218.

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Entry CDF 1955-59  
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DEPARTMENT OF STATE INSTRUCTION

2290

OFFICIAL USE ONLY

NO. A-431 May 22, 1956

SUBJECT: Cultural Restitution

TO: The American Embassy, VIENNA

*863.441/5-1055*

This Document is to be returned to:  
Rm/R  
Central Files

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

A list of an additional sixty-five (65) works of art for which evidence has been found identifying the source of each and making restitution possible, is enclosed. These objects are among the works of art in Nazi collections found in Austrian repositories following World War II. The items bearing Munich Central Collecting Point numbers are among the 957 objects, hitherto unidentified, which were returned to Austria from the Munich Central Collecting Point in January 1953 and released to the Austrian Federal Government on July 22, 1955.

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

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

TULSA

Enclosures: *attest*

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

Under Separate Cover:

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

863.441/5-2256

CS/W

*863.441/5-2256*

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APPROVED BY: AM: ARHall

CLEARANCES: Chapin  
WE: Mr. Compton

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RM/R

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

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

<u>To AUSTRIA</u>	1) Munich 1573/	Aussee 1372
	2) " 8825	" 4045
	3) " 2444	" 1788/1
	4) " 3057	" 2172
	5) " 3075	" 2190
	6) " 3598	" 2336
	7) " 45106	" 9016
	8) " 45175	" 9085
	9) " 4310	" 2959
	10) " 4311	" 2960
	11) " 4952	" 3601
	12) " 8690	" 3937
	13) " 8759	" 3979
	14) " 8852	" 4072
	15) " 8958	" 4178
	16) " 9036	" 4256
	17) " 9124	" 4344
	18) " 9770	" 4986
	19) " 10033	" 5249
	20) " 10751	" 5965
	21) " 10342	" 5556
	22) " 10664	" 5878
	23) " 10795	" 6009
	24) " 45071	" 8981
	25) " 45073	" 8983
	26) " 45074	" 8984
	27) " 45075	" 8985
	28) " 45089	" 8999
	29) " 45126	" 9036
	30) " 45141	" 9051
	31) Salzburg C-23	
	32) Titiratal/Linz E - 6	
	33) " " E - 17	

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## LIST OF PAINTINGS AND SCULPTURE RECOMMENDED FOR RESTITUTION.

<u>To FRANCE:</u>		Munich 2585/	Augsbo 1929
1)	"	2601/	" 1945/1945 (1945)
2)	"	3534/	" 2284
3)	"	4684/	" 3333
4)	"	8804/	" 4024
5)	"	8974/	" 4191
6)	"	9177/	" 4397
7)	"	9393/	" 4613
8)			
9)		Salzburg B 28/	Flachhorn 8
10)		Salzburg C 13	

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**LIST OF PAINTINGS RECOMMENDED FOR RESTITUTION.**

- To GERMANY:**
- |     |                |              |
|-----|----------------|--------------|
| 1)  | Munich 3033/   | Aussae 2148  |
| 2)  | Munich 4082/   | " 2819       |
| 3)  | " 8996/        | " 4216       |
| 4)  | " 9421/        | " 4641       |
| 5)  | " 10665/       | " 5879       |
| 6)  | " 11163/       | " 6377       |
| 7)  | " 9842         | " 5058       |
| 8)  | " 9901         | " 5117       |
| 9)  | " 9106         | " 4326       |
| 10) | " 10779        | " 5993       |
| 11) | " 11295        | " 6509       |
| 12) | " 11300        | " 6514       |
| 13) | " 11301        | " 6515       |
| 14) | " 12108        | " 7006       |
| 15) | " 12961        | " 7751       |
| 16) | " 13282        | " 8102       |
| 17) | Salzburg B 27/ | Fischhorn 44 |
| 18) | Salzburg C 12  |              |
| 19) | Thürnthal      |              |

**LIST OF ART OBJECTS RECOMMENDED FOR RESTITUTION.**

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

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By W. NARA DEIS 7/28

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Entry Subject Files 41-54

File A 581 Germ Assets

Box

9

A 581- GERMAN ASSETS IN AUSTRIA,  
1953?

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RG 59  
Entry Subject Files 41-54  
File A 581 Germ Assets  
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Otherwise Restricted Information

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FOREIGN SERVICE DESPATCH

254.6241/9-3060

FROM : Amembassy BERN

178

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 30, 1960

REF : CERP - Section D - I A1

SEP 30 1960

50 For Dept. Use Only	ACTION	DEPT.
	REC'D	OTHER
	<u>EUR-9</u>	<u>RMR-2 REP-1 INR-7 E-7 ICA-11 K-2</u>
	<u>10-4</u>	<u>@ IA-10 TR-3 OAP-3</u>

SUBJECT: Completion of Swiss Commitments under the Washington Accord

BEGIN UNCLASSIFIED

During the past week the Swiss press has carried a series of articles marking the liquidation of the Washington Accords as they concern Swiss commitments. In a press interview Minister Walter STUCKI stated that "a drama of 15 years has come to an end". During his press conference Stucki announced that as of October 1, 1960 Switzerland has fulfilled all commitments undertaken through the signing of the Washington Accords on May 25, 1946. Stucki negotiated these Accords for Switzerland and has been President of the Commission for Surveillance of the Washington Accords.

The press took occasion at this time to review some of the history leading to the Washington Accords, to outline some of the provisions of these Accords, and to detail some of the actions taken under the Accords. In particular, some of the historical review was unfavorable to the United States and its allies. The press stated that the Germans had allowed Switzerland one rail line to bring in supplies, that line being the one from Marseilles to Geneva, but that subsequently all supplies across this line were interfered with by the allies who took over this area from the Germans and who were "ill disposed towards us, convinced that our territory had complacently served as a refuge for billions in gold stolen by the Hitlerites from the conquered countries". At this time, stocks of supplies in Switzerland were approximately 10 percent of normal. The press also recalled that Laughlin Currie had come to Bern to "demand of us an accounting for our attitude during the war".

The press pointed out that after the Potsdam conference, the United States, France, and Great Britain on behalf of seventeen countries attempted to sequester all German assets in Switzerland for reparations. The Swiss Government refused to allow this action, stating that such action was incompatible with the Swiss notion of the law of private property. In retaliation, according to the press, the allies reduced the supplies which Switzerland was allowed to receive from overseas. In 1946, the Swiss agreed to negotiate, and these hard ("rude") negotiations resulted in the Washington Accords, the main points of which were enumerated by the press.

According to the announcement of the Swiss government on September 26, 1960 the liquidation of German property in Switzerland has now been completed. More

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(Classification) SectionPage 2 of  
Encl. No. \_\_\_\_\_  
Desp. No. 178  
From \_\_\_\_\_ Bern

than 40,000 individual cases were concerned, and the payments to Germany were 183.05 million Swiss francs instead of the estimated 121.5 million francs. Almost the entire amount has already been paid to the German Federal Bank, and the small remainder is to be paid in the very near future.

The press pointed out that with this action a chapter in history had been completed, except for Interhandel. While claiming Switzerland had completed its obligations in full, the press stated that the allies had only partially fulfilled their obligations. The press claimed that under Articles 4 and 6 of the Washington Accords all Swiss assets in the United States were to be released from blocking and cases in dispute be submitted to arbitration. However, the press stated, assets of Interhandel remained blocked and arbitration is refused. In declaring that Switzerland had fulfilled its obligations and was liquidating its machinery to carry out the obligations, Stucki stated that the Swiss were not giving up their rights under the Washington Accords.

The press added that the general satisfaction with the outcome of the Washington Accords should not lead one to forget that Switzerland was submitted to a violent injustice on the part of those who would pretend to reestablish good will and the rule of law in the world. END UNCLASSIFIED

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The reporting officer discussed these press comments briefly with Mr. Claude Caillat, who had been the secretary to Minister Stucki during these negotiations. He recalled that one Swiss minister had recently said to him that Switzerland should never have signed these Accords, and he recognized that these Accords had always been unpopular in Switzerland. However, the reporting officer in effect wondered what all the shouting was about at this particular time.

Caillat responded that the Accords had not been popular, and were the result of hard negotiations. According to him the text was in very broad terms in order to disguise the fact that no real agreement or meeting of minds had been reached. Under the Accords the Federal Council had secured special powers to carry out the Swiss obligations, and had set up a special Commission for Surveillance. The present flurry, according to Caillat, was due to the Federal Council taking action to give up its special powers and abolish the Commission. Caillat somewhat discounted the importance of the present outburst, although he recognized, as did the reporting officer, that most of what appeared in the press was based on a press interview given by Minister Stucki.

For the Ambassador:

*C. Hoyt Price*  
C. Hoyt Price  
Counselor of Embassy  
for Economic Affairs

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RW

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