

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

STAFF CABLE CONTROL
OUTGOING MESSAGE

SECRET

ROUTINE

TO : AGWAR FOR WARGAD PERSONAL FOR ECHOLS
FROM : OMGUS SIGNED CLAY
REF NO : CC-2138 TOC: 281136A MAR 46/pl

Reference

As result of our consideration of claims problem we are instructing the Laenderrat to establish as promptly as possible within the structure of the Land Governments procedure for the prompt restitution of property which has been the subject of transfer under duress or wrongful acts of confiscation, disposition or spoliation, whether pursuant to legislation or by procedure purporting to follow forms of law or otherwise.

Ref your WX-80641 and W-81019. This is in accordance with paragraph 48 E JCS 1067/6. This procedure will be placed in operation in the United States Zone as promptly as the machinery can be established. As soon as procedure is agreed we shall propose in the Control Council the adoption of similar measures in other zones. We concur in your view that restitution to individuals should precede restitution to organizations and indemnification in the event that the development of measures for these remedies would delay restitution to individuals. We are also instructing the Laenderrat to consider procedure for assisting those who have suffered loss and are now in need under similar circumstances where specific restitution is inadequate or impossible.

With reference to the second paragraph of WX-80641 we note difference in language from paragraph 48E of JCS 1067/6 in the description of the persons to benefit under the proposed indemnification procedure. We would appreciate your comments as to whether this is intended to indicate change in policy.

CC-2138

Reference
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Authority ND 76003
By LP NARA Date 7/13/00

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400-Planning

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REF NO: CC-2138

We agree that claims for indemnity or other compensatory damages should be charged against the German State. Initially, however, it will be necessary that such awards as may be made be charged against the Government of the land in which the claim is presented. We have under study the question of the ultimate disposition and use of the assets of the Nazi Party and affiliated organizations confiscated under Control Council Law Number 2 and of individuals whose property may be confiscated under Control Council Law Number 10 and the recently adopted denazification law. These assets will be available, if desired, for meeting claims of this nature. This is consistent with fifth paragraph your WX-80641. It is our present view that initially a ceiling should be placed on indemnity awards in order that needy cases may be disposed of as promptly as possible. Consideration can be given at later date as to whether and to what extent full compensation will be given for other claims. It is not considered desirable at this time to establish procedures for claims arising from other causes pending quadripartite decisions on the treatment of German indebtedness.

We are sending you by air courier copy of the property board. While I have not had an opportunity to study the report in sufficient detail to give it approval I know that it follows in general my own thinking in the premises. The Legal Division study mentioned in your W-81019 is still in draft form and under consideration here.

Ref para numbered 3 your W-81019, there is no specific measure pending before the Control Council or the Coordinating Committee on the disposition of confiscated Nazi property. The coordinating committee has recently requested the Finance Directorate to develop such a program.

CC-2138

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OFFICE OF THE SECRETARY OF DEFENSE, WASHINGTON, D.C. 20301

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APR 26 1946

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

STAFF CABLE CONTROL

DATED 24 APR 46 INCOMING MESSAGE RECD 261054Z Apr 46 693/26/jb

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ROUTINE

FROM : AGWAR FROM ECHOLS
TO : OMGUS PERSONAL FOR CLAY
REF NO : W-85545

APR 26 1946

Reurads CC-2138, curads WK-80641, WK-81019.

Internal restitution and other property matters reurad CC-2138 curads WK-80641, WK-81019.

Difference in language between 2nd par of WK-80641 and para 48 e of JCS 1067/6 not intended to represent difference of policy with respect to description of claimants. WK-80641 broader in indemnification and covering both personal and property damage. Neither formulation is sufficiently definite for legislation. Details to be worked out under your auth.

WDIX of property disposition EO memo of 26 Mar 46 have been examined, also Legal Div study of Internal Restitution of 15 Jan 46 received by State Dept from POLAD. State Dept will make working level comment to POLAD on study.

It is felt here that both papers are sound in the main but that they raise at least three important controversial questions which I suggest should be submitted soon with your recommendations for decision of the payment of claims of persons outside Germany. No substantial progress has been made here in consideration of this question left open by WK-80641. I doubt that any other solution is possible, however, than to admit such claims on some basis as claims of persons within Germany. This matter is closely related to whole question of level of Foreign Investment in Germany and is difficult chiefly for that reason. It concerns many claimants now in the United States, many of them citizens.

2. Use of German personnel to adjudicate claims. This is involved in the instructions to Leanderrat mentioned urad CC-2138. Practical reasons for this course are understood but there will be serious criticism if Germans alone pass on claims of persons despoiled by Nazis, especially persons now no longer German. This is intimately connected with marshalling of assets under War Crimes Program. Do you believe that we should make

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400-Claims

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S E C R E T

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efforts to get American personnel to develop this phase of OPR Program this is a touch subject.

③ 3. Use of some part of looted properties for relief and/or repayment of Nazi victims. No plan has yet been formulated beyond that found in the Reparations Agreement but the State and War Dept sympathetic to the suggestion if a workable plan can be devised. This is related to the important problem of Jewish Community property, of which little mention is made in the memo or the study.

In connection with compulsory declaration of external loot suggest compulsory declaration of internal loot by present or any previous possessor should be required per pressure on War and State Depts from claimants and organizations to do something about Restitution and Indemnification in Germany are increasing.

CC-2138 28 Mar Legal
WX-80641 is SCC IN-22825 16 Mar Legal
WX-81091 is SCC IN-23079 19 Mar Legal

ACTION : LEGAL

INFORMATION : O/SS-C/S
ECON
POL AFF
FIN
IA&C
CONT OFF
AG RECORDS

AGC IN 26222 26 Apr 46 1335B E/jb REF NO: W-85545

S E C R E T

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Authority <u>111576003</u>
By <u>CR</u> NARA Date <u>7/13/00</u>

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APR 29 1948

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

STAFF CABLE CONTROL

~~CONFIDENTIAL~~
OUTGOING MESSAGE #3
~~CONFIDENTIAL~~

TO: DIVISION
FROM: [unclear]
REF NO

AGWAR FOR WARCAD PERSONAL FOR ECHOLS

: OMGUS FROM CLAY SIGNED MCNARNEY
: CC-3989 TOO: 281141B Apr 46/jb
Reference CC-2138, WX-80641 and W-81019.

Subject is our views on claims presented by Germans or non-Germans for restitution of specific property or for damages as result of activities of the Reich, Nazi Party, its organizations and individuals acting on its behalf.

1. At present Laenderrat is developing program for the restitution of specific property for early adoption in US Zone. In addition, Property Control Committee of Finance Directorate has agreed a paper which requires return to rightful owner of property which can be identified as the subject of transfer under duress, wrongful acts of confiscation, disposition or spoliation, whether pursuant to legislation or by procedures purporting to follow forms of law or otherwise.

2. Laenderrat has been instructed to consider a program for the partial satisfaction of claims by an interim award for the economic rehabilitation of those destitute as a result of Nazi persecution. We shall press for the adoption of a similar program in other Zones.

3. Most claims arising out of Nazi activity not dealt with in paragraphs 1 and 2 are claims based upon acts of the German government and should therefore be made against the resources of Germany as a whole. They should not be paid out of the assets of any 1 Zone in view of the resulting consequences to the United States as an occupying power. Under these circumstances it is our view that the time has not come to propose a machinery for the determination and payment of these claims because of: (A) The enormity of the problem from the point of view of the German economy and the consequent need for treating it as a problem affecting Germany as a whole; (B) The uncertainty as to the financial condition of Germany and as to any program which may be adopted to establish an overall financial plan; and (C) The desirability of 1st observing developments under the program to be instituted in US Zone and on Quadripartite basis under paragraphs 1 and 2 above. This, of course, would not preclude actions between individuals for the recovery of damages for acts of persecution where actual damages can be shown.

CC-3989

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By: [signature] NARA Date: 7/13/00

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REF NO: CC-3989

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

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These would be brought in the German courts.

4. There are set forth below for your information and without comment as to their varying degrees of validity the types of claims which we anticipate may be presented in this connection.

A. Claims arising out of destruction or confiscation of tangible property, both real and personal, by Nazi inspired mob action, action of the Secret Police, or Nazi Party members or organizations.

B. Claims for repayment of taxes, licenses, and special fees imposed on discriminatory basis and fines, contributions, fees and other such payments made under duress to the extent that these imposts were in excess of the taxes and other levies, both special and regular, which were imposed generally on Germans in comparable circumstances.

C. Claims for damages as a result of physical injury or disability attributable to acts of persecution, or personal loss as result of wrongful death of another.

D. Claims for secured or unsecured debts, including the right of foreclosure, where legal procedures to collect such debt were denied by discriminatory action.

E. Claims arising out of marital status, including alimony, and similar rights arising out of relations such as parent and child and guardian and ward, where such rights were denied by discriminatory action.

F. Claims for restitution of position or office in public service or private employment from which claimant was removed or forced to retire under duress or by discriminatory action.

G. Claims for loss of salary or profits, or both, or good will from a business, trade or profession, or loss of compensation for Civil Service position from which claimant was excluded through discriminatory action.

H. Claims for restoration of pensions and pension rights, Social security, workmans compensation and unemployment insurance.

CC-3989

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

DECLASSIFIED
Authority <u>1115765023</u>
By <u>42</u> NARA Date <u>7/13/00</u>

RG	<u>84</u>
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OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)

CC-3989

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Claims for mental suffering.

J. Claims for punitive damages.

5. With respect to the fund which would be used to satisfy claims other than those noted in paragraph 1, consideration has been given to the desirability of a Quadripartite marshalling account in which would be pooled all confiscated assets of Nazi organizations from all Zones. It is our view that to the extent that funds remain after the completion of the interim program recommended in paragraph 2 above, such funds should be held pending whatever general overall financial plan may be adopted for Germany as whole. It is our view that most of these assets will be absorbed either in support of a new financial structure for Germany or in the devaluation which will be required as a part of such action as may be taken. Furthermore, on the basis of past experience, we are of the view that although it might be possible to reach agreement in principle on a Quadripartite Marshalling account, it would certainly not be possible to obtain from all Zones the property which should necessarily be included within such an account.

6. The effect of this action will be to suspend any action in respect to all claims for the present other than those listed in paragraphs 1 and 2 above pending the establishment of a central German government and a determination of its resources. Reply to cable W-85545 being prepared.

WX-80641 is AGC IN 22825

W-81019 is AGC IN 23079

ORIGINATOR : LEGAL

AUTH: C.F. HEASTY
LT. COL.

INFORMATION : O/SS
ECON
POL AFF
FIN
IA&C
CONTROL OFF
MANPOWER
CIV ADMIN
AG RECORDS

CC-3989 28 Apr 46 1430B HB/jb

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Authority 111576003
By W NARA Date 7/13/00

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MAY 9 - 1946

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

STAFF CABLE CONTROL

OUTGOING MESSAGE

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2/3

~~WES~~

TO : AGWAR FOR WARCAD FOR ECHOLS

FROM : OMGUS SIGNED CLAY

REF NO : CC-4640

TOO: 081144B MAY 9 - 1946/mh

POLITICAL DIVISION
MAY 9 - 1946

Subject is your W-85545.

1. General. Our views on claims based upon Nazi activity are set forth in CC-3989 dated 28 Apr. With reference to your concern over the increasing pressure on War and State Departments from claimants and organizations with regard to such claims, it might be desirable if you are in agreement with the conclusions expressed below and in our CC-3989 to announce to the press that part of the program which is being adopted in the US Zone and that the other principal categories of claims must await central planning. In this way claimants will be aware of the problems involved and the obstacles which must be overcome.

too - Planning

2. Payment of claims of persons outside Germany. In connection with the procedure which we are now developing in the US Zone for the restitution of specific property and for interim award as recommended in the report of the Property Disposition Board, we are of the view that the remedy should be available to Germans and non-Germans alike regardless of their present residence. The initiative for bringing such claims should be on the individuals involved and not on MG, whose responsibility should be limited to assuring the creation of machinery for hearing these claims and for making periodic inspections to insure that the machinery is accomplishing the purposes for which it is established. Where an award is made we are clear that under no circumstances should it be possible for claims to be satisfied in foreign exchange assets as long as appropriations are being requested from Congress. It is estimated that the cost of essential imports and occupation costs to the US Government and to the other occupying powers will be largely in excess of foreign exchange assets available to Germany for a considerable period. It is our firm view that under Potsdam agreement these should be first charge

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By: [Signature] NARA Date: 7/13/00

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against such assets prior to the satisfaction of any damage claims by Germans or non-Germans.

3. Use of German personnel to adjudicate claims. We have given serious consideration to the machinery to be used for the adjudication of claims by Germans or non-Germans for either restitution or damages. We would not recommend the establishment of procedure to be administered by Germans unless we had confidence that they would be able to perform the job effectively. It will be necessary to check their results from time to time. Any system which we propose will of course make provision for this. The claims which will be presented will undoubtedly number in the thousands. It will be necessary that there be tribunals in all principal cities. The personnel will be need a background and understanding of German law. Our experience here has been that such US personnel is not available in sufficient numbers. We are having extreme difficulty even in locating competent lawyers with no German law experience.

4. Use of looted property for relief of Nazi victims. With respect to the use of looted property for relief and/or repayment of Nazi victims, we are of the view that much of this property which is identifiable will be recovered by the rightful owners as result of the proposed restitution procedure in the US Zone and in other Zones if the plan is agreed on Quadripartite basis. Some of it will be recovered as sanctions are imposed under the De-nazification law and war crimes sentences. It is likely that the principal problem therefore will be with respect to that property which is not identifiable or which is unclaimed because of the death of the owner or for other similar reasons. We have not developed plan for the disposition of this type of property. We have refrained from reaching firm conclusions pending receipt of the views of the Laenderrat. This of course would include the Jewish community property to which you refer.

5. Internal Loot Declaration. Forms for the declaration of external loot have been distributed in US Zone. They require statement by declarer as to property

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STATE STATE COMEX

OFFICE OF MILITARY GOVERNMENT FOR GERMANY

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By CP NARA Date 7/13/00

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

STAFF CABLE CONTROL

CC-4640 **OUTGOING MESSAGE**

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in his possession from sources outside Germany. This is statement of fact. On the other hand your suggestion that similar declaration be secured on internal loot would require the declarer to make not only statement of fact but also conclusion as to whether his title was valid under Reich laws as of the time of acquisition. Our reaction is that the complexities incident to the use of this device on internal loot would not produce useful results. If you desire to pursue this matter further it might be helpful to reexamine the suggestion after we have had some experience under the External Loot Declarations. An alternative suggestion would be for the German Denazification Tribunals to make inquiry of those appearing before them as to all property or certain special categories of property wrongfully acquired during Nazi regime. This would have the advantage of an individual examination of the principal offenders in the US Zone and should produce more satisfactory results than form executed without benefit of cross examination.

6. We are not clear as to the program referred to in Para. No. 2 of your message where reference is made to the "Marshalling of assets under War Crimes Program". Request clarification.

W-85545 is AGC IN-26222

ORIGINATOR : LEGAL

AUTH: RB MAUTZ
Me.]

INFORMATION : O/SS, ECON, POL AFF, FIN, IA&C, CONT OFF,
MANP, CIV ADMIN, AG RECORDS

CC-4640 9 May 46 1410B CB/mh

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By <u>CP</u> NARA Date <u>7/13/00</u>

RG	<u>84</u>
Entry	<u>2531B</u>
File	<u>"400 Claims"</u>
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341945

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ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

Handwritten: G-5
Handwritten: 27 July 1946
Handwritten: Attached
Handwritten: file

G-5: 912.10

SUBJECT: Restitution to Italy, etc. of Property removed by the Germans.

TO : Chief Commissioner,
Allied Commission,
APO 794

400 - Italy - Claims Against Germany

1. There is forwarded herewith a copy of an amendment to SWNCC Directive reference 204/5 dated 19 February for your information.

2. SWNCC 204/5 contains information similar to that embodied in JCS Directive reference 1570/3, which was forwarded to you under AFHQ letter of even reference dated 28 March 46.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

A. L. HAMBLEEN
Colonel, G.S.C.
Assistant Chief of Staff, G-5

Handwritten: EC DIST 3 Aug
Handwritten: POLAD A
Handwritten: POLAD B
Handwritten: ECON SEC

vidual periods that these nations were subjected to German military occupation.

7. Application of this rule produces the following benefits:

a. It nullifies the German attempt to enrich Germany at the expense of Italy, Hungary, Austria, Rumania, and Finland;

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Authority NND 765027
By WDP NARA Date 7/14/00

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File 400
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Enclosure

341946

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COPY NO. 127

28 June 1946

STATE-WAR-NAVY COORDINATING COMMITTEE

SECOND DECISION AMENDING SWNCC 204/5

RESTITUTION FROM GERMANY AND AUSTRIA TO ITALY, HUNGARY,
RUMANIA AND FINLAND AND FROM GERMANY TO AUSTRIA

Note by the Secretaries

1. The State-War-Navy Coordinating Committee on 21 June 1946 approved the amendments to SWNCC 204/5 proposed in SWNCC 204/15.

2. Holders of SWNCC 204/5 are requested to substitute the attached revised pages 21 and 24 for the ones contained therein and destroy the latter by burning.

ALEXANDER D. REID
B.L. AUSTIN
RAYMOND E. COX
Secretariat.

Incl: 1

vidual periods that these nations were subjected to German military occupation.

7. Application of this rule produces the following benefits:

a. It nullifies the German attempt to enrich Germany at the expense of Italy, Hungary, Austria, Rumania, and Finland;

SWNCC 204/5

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Authority NND 765027

By WPP NARA Date 7/14/00

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Enclosure

341947

S E C R E T

COPY NO. 127

SWNCC 204/5

19 February 1946

Pages 21 - 25, incl.

STATE-WAR-NAVY COORDINATING COMMITTEE

RESTITUTION FROM GERMANY AND AUSTRIA TO ITALY, HUNGARY,

RUMANIA AND FINLAND AND FROM GERMANY TO AUSTRIA

References: a. SWNCC 204/3
b. Item 5 Minutes 36th
SWNCC Meeting.

Note by the Secretaries

The enclosure, a revision of SWNCC 204/3 as approved by the State-War-Navy Coordinating Committee at its 36th Meeting, is circulated for information, guidance and, where appropriate, implementation.

ALEXANDER D. REID
B. L. AUSTIN
RAYMOND E. COX
Secretariat.

SWNCC 204/5

vidual periods that these nations were subjected to German military occupation.

7. Application of this rule produces the following benefits:

a. It nullifies the German attempt to enrich Germany at the expense of Italy, Hungary, Austria, Rumania, and Finland;

SWNCC 204/5

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Enclosure

DECLASSIFIED
Authority NND 765027
By WDP NARA Date 7/14/00

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SECRETENCLOSURERESTITUTION FROM GERMANY AND AUSTRIA TO ITALY, HUNGARY,
RUMANIA AND FINLAND, AND FROM GERMANY TO AUSTRIATHE PROBLEM

1. To consider the matter of restitution from Germany and Austria to Italy, Hungary, Rumania and Finland, and from Germany to Austria.

FACTS BEARING ON THE PROBLEM

2. The reference restitution directive, SWNCC 204/2 deals only with restitution to United Nations.

3. During the periods of German occupation, property of various types was looted from Italy, Hungary, Rumania and Finland, and removed to Germany and Austria; and was looted from Austria and removed to Germany.

4. The property in question was taken from Italy during the period of 25 July 1943 to 15 May 1945; from Hungary during the period 15 October 1944 to 15 May 1945; from Austria during the period 12 March 1938 to 15 May 1945; from Rumania during the period 23 August 1944 to 15 May 1945; and from Finland during the period 2 September 1944 to 15 May 1945.

5. It is a general policy of the United States that property looted by the enemy should be restored to its rightful owners. It is deemed appropriate that this general policy be extended to cover the restitution of property forcibly removed or removed without compensation from Italy, Hungary, Austria, Rumania, and Finland.

6. Except for works of art, property, in order to qualify for restitution, should have been removed through an act of force during the individual periods that these nations were subjected to German military occupation.

7. Application of this rule produces the following benefits:

a. It nullifies the German attempt to enrich Germany at the expense of Italy, Hungary, Austria, Rumania, and Finland;

SWNCC 204/5

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Enclosure

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Authority NND 765027By WPP NARA Date 7/14/00

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- b. It preserves intact the general U.S. restitution policy;
- c. It reduces the prospective U.S. burden in support and rehabilitation of the economics of Italy, Hungary, Austria, Rumania, and Finland, to the extent that restitution of economic resources occurs;
- d. It restricts restitution to cases of actual forcible seizure or removal without compensation.

CONCLUSION

8. The following categories of property should be restored to Italy, Hungary, Rumania, and Finland from Germany and Austria and to Austria from Germany:

- a. Works of art and other cultural objects;
- b. Machinery and equipment;
- c. Other goods, livestock, valuables (excluding gold, securities and foreign currencies), etc.;

provided that the claimant government submits satisfactory proof of forcible removal or removal without compensation during the respective periods of occupation indicated in paragraph 4.

RECOMMENDATION

9. It is recommended that:

- a. The attached interim directive, contained in the Appendix, be approved by SWNCC as a supplement to SWNCC 204/2;
- b. After approval by SWNCC, the Appendix be forwarded to JCS for transmittal to the Commander in Chief, U.S. zone of occupation in Germany and Austria.

SWNCC 204/2

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Enclosure

DECLASSIFIED
Authority <u>NND 765027</u>
By <u>WPP</u> NARA Date <u>7/14/00</u>

RG	<u>84</u>
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341950

APPENDIX

DIRECTIVE TO THE COMMANDER IN CHIEF, U.S. ZONE OF
OCCUPATION, AUSTRIA, (GERMANY) ON RESTITUTION

1. This directive is issued to you as Commander in Chief, U.S. Zone of Occupation, Austria (Germany) and U.S. member of the Allied Council, Austria (Germany).

Subject directive applies to restitution from Germany and Austria to Italy, Hungary, Rumania, and Finland, and from Germany to Austria. It is an addition to WARK No. 85965.

You will seek to obtain agreement in the Control Council of the application in the other zones of occupation of the policies laid down in this directive. If, in your judgement, it appears impossible to obtain quadripartite agreement, you will explore the possibilities of a tripartite agreement applicable to the three Western Zones and make appropriate recommendations to the Joint Chiefs of Staff.

You will proceed with the application of this directive in your own zone even prior to agreement, provided, however, that restitution of property defined in paragraphs 2 b and 2 c will be affected only when the return of such property is certified by the appropriate representative of the claimant country to be urgently required for the rehabilitation and reconstruction of his country.

Items Subject to Restitution

2. Without prejudice to the formulation of a definitive restitution program, the following categories of property shall, as an interim measure, be subject to restitution in accordance with the provisions of this directive:

a. Works of art and cultural works of either religious, artistic, documentary, scholastic or historic value including, as well as recognized works of art, such objects as rare musical instruments, books and manuscripts, scientific documents of an historic or cultural nature and all objects usually found in museums, collections, libraries, and historic archives.

SWNCC 204/5

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Appendix

DECLASSIFIED
Authority <u>NND 76502Z</u>
By <u>WDP NARA</u> Date <u>7/14/00</u>

RG	<u>84</u>
Entry	<u>2780</u>
File	<u>400</u>
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b. Heavy and power-driven industrial and agricultural machinery and equipment, rolling stock, locomotives, barges and other transportation equipment (other than sea-going vessels restitution of which is provided for in SWNCC 277) and communication and power equipment.

c. Other goods, valuables (excluding gold, securities, and foreign currencies) materials, equipment, livestock and other property found in storage or otherwise in bulk form.

3. Property mentioned in subparagraph 2 a shall be restored to the government of the country from which it was taken or acquired in any way, whether through commercial transactions or otherwise, upon submission of satisfactory proof of its identifiability by the claimant government, providing acquisition occurred during the respective periods of occupation detailed in subparagraph 4 b below.

4. Property mentioned in subparagraph 2 b and 2 c shall be restored to the government of the country from which it was taken only if:

a. The claimant government submits satisfactory proof that the property in question was acquired by Germany as the result of an act of force or was removed into Germany or Austria without compensation; and

b. The property in question was taken from Italy during the period of 25 July 1943 to 15 May 1945; from Hungary during the period from Austria during the period 12 March 1938 to 15 May 1945; 15 October 1944 to 15 May 1945; /from Rumania during the period 23 August 1944 to 15 May 1945; and from Finland during the period 2 September 1944 to 15 May 1945.

5. Restitution of rolling stock, locomotives, barges and other transportation may be deferred until you have formulated an over-all program phased so as not to reduce available transportation below that required for military deployment and for purposes of the occupation, including restitution to the United Nations, minimum requirements of the Austrian (German) economy, removal of industrial plant and equipment for reparations, as well as such recommendations as have been, or will be made, by ECITO. You will as soon as possible submit such a program to the JCS for approval.

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By WPP NARA Date 7/14/00

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Box 1 (1946)

341952

6. Restitution of any item mentioned in subparagraph 2 c need not be made if, in your judgement, restitution would jeopardize satisfaction of the minimum requirements of the Austrian (German) economy or would give rise to a need for additional U.S. assistance to, or imports into, Austria (Germany).

General Provisions

7. The procedures and general provisions contained in paragraphs 3 through 9 of WARK 85965, 1945 shall be applied in carrying out this directive.

SWNCC 204/5

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Appendix

DECLASSIFIED
Authority NND 765027
By WPP NARA Date 7/14/00

RG 84
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341953

HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

~~USA~~
~~Bda V~~
~~HST~~

INDEXED

Ref. : 640/21/EC.

16 July 1946.

SUBJECT: Request for Copies of JCS Cables.

TO : POLAD 'A'.

Jmg

SECRET

Enclosed herewith for your information are copies of JCS Directive reference 1570/8 and enclosures mentioned therein.

For the Chief Commissioner:

Alou Kussily
Brigadier,
Executive Commissioner.

Encl. As above.

*I have called this to
attention of US Polad Caserta -
No action appears necessary.
G*

400 - Italy - Claims Against Germany

JCS 1570/8

DECLASSIFIED
Authority NND 765027
By WPP NARA Date 7/14/00

RG 84
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File 400
Box 1 (1946)

341954

WAR DEPARTMENT
 War Department General Staff
 Plans & Operations Division
 WASHINGTON 25, D.C.

P&O 387.6 (21 Jun 46)

21 June 1946

MEMORANDUM FOR THE COMMANDING GENERAL, U.S. ARMY FORCES, MEDITERRANEAN THEATER OF OPERATIONS, CASERTA, ITALY.

Subject: Restitution from Germany and Austria to Italy, Hungary, Rumania and Finland and from Germany to Austria.

1. On 15 June 1946, the Joint Chiefs of Staff approved JCS 1570/8 and the message in Inclosure "A" thereto was transmitted to the addressees indicated therein as WRRX 91471.

2. The inclosure, subject as above, is forwarded for information and guidance.

3. A similar inclosure has been furnished the Commanding General, U.S. Forces, European Theater; Commanding General, U.S. Forces of Occupation in Austria, Chief, United States Representation, Allied Control Commission, Hungary and the Chief, United States Representation, Allied Control Commission, Rumania, for information and guidance.

In the Committee regarding the basis of a reply.

LAURIS NORSTAD
 Major General, GSC
 Director of Plans & Operations

K. R. KIMBALL
 Major, GSC
 Ass't Executive Officer
 Plans and Policy Group

1 incl
 JCS 1570/8, Cy No. 92

JCS 1570/8

DECLASSIFIED
 Authority NND 765027
 By WDP NARA Date 7/14/00

RG 84
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341955

COPY

S E C R E T

COPY NO. 92

J. C. S. 1570/8

8 June 1946

Pages 28 - 33 incl.

JOINT CHIEF OF STAFF

RESTITUTION FROM GERMANY AND AUSTRIA TO ITALY, HUNGARY, RUMANIA
AND FINLAND AND FROM GERMANY TO AUSTRIA

Reference: J. C. S. 1570 Series

Note by the Secretaries

The State-War-Navy Coordinating Committee has requested that the message in Enclosure "A" be transmitted to the indicated addressees in reply to the messages in Enclosures "B" and "C", which were forwarded to the Committee requesting the basis of a reply.

A. J. McFARLAND,

C. J. MOORE,

Joint Secretariat.

JCS 1570/8

DECLASSIFIED
Authority NND 765027
By WPP NARA Date 7/14/00

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341956

MESSAGE TO THE OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.),
COMMANDING GENERAL, U.S. FORCES, EUROPEAN THEATRE, COMMANDER IN CHIEF,
U.S. FORCES OF OCCUPATION IN AUSTRIA, FOR ACTION, AND TO CHIEF, U.S.
REPRESENTATION, ALLIED CONTROL COMMISSION FOR HUNGARY, FOR INFORMATION.

The following, received from the State, War, and Navy Departments,
is in reply to OMGUS message CC 1929 (Enclosure "B"), and CG, USFA message
P 5687 (Enclosure "C"). This message in two parts.

Part I

1. After thorough reconsideration, it is concluded that WARX 99226
(Appendix to J.C.S. 1570/3) directive as previously amended by WARX 86853,
WARX 82436 (Appendix to J.C.S. 1570/5) and as further amended in Part II
below accords with desirable foreign policy. Implementation of WARX
99226 should therefore be immediately undertaken.

2. Problems presented your cables March CC 1929 and P 5687 considered
in formulation of WARX 99226. From the beginning it was decided that
restitution would not be made of property removed during the period of a
country's collaboration with Germany. It was agreed that property could
have been looted only during the period of forcible occupation by Germany.
The legal aspect considered was whether to legitimize or nullify German
looting operations. The decision was made that Germany should not gain from
illegal acts at the expense of her victims. The looting acts violated the
principles of the January 1943 United Nations Declaration and traditional
U.S. property principles.

JCS 1570/8

Enclosure "A"

DECLASSIFIED
Authority NND 765027
By WDP NARA Date 7/14/00

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SECRET

3. The U.S. has undertaken economic and political responsibilities with regard to Italy, Austria, and to a lesser extent Hungary. U.S. economic burdens in this connection are reduced through restitution of economic resources without corresponding increase of economic burden in Germany. In addition restitution improves the political stability of U.S. relations with these governments. Information indicates that anti-U.S. elements in these countries are making capital from the U.S. failure to restore property looted by the Germans after the break of these satellite governments with Germany. Particularly is this true of the Communist party in Hungary; they cite non-restitution as an indication of lack of interest on the part of the western democracies.

4. Believed here that the other occupying powers will favor the somewhat restricted restitution policy WARX 99226 inasmuch as France has most urgently pressed for the general principle of restitution U.K. has supported her view, and USSR has recently presented a note to the U.S. Minister requesting and recommending restitution to Hungary.

5. Not anticipated here that restitution contemplated under WARX 99226 will significantly affect minimum allowed economies of Germany and Austria.

Part II

6. Directive in WARX 99226 provides among other things for restitution to the Hungarian Government of property removed from Hungary to Germany and Austria after January 20, 1945. It has recently come to the attention of the State Department that some of the removals to Austria consisted of personal property carried by refugee Jewish owners some of whom are now displaced persons who will not return to Hungary but will stay in Austria or go elsewhere.

JCS 1570/8

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Enclosure "A"

DECLASSIFIED
Authority <u>NND 765027</u>
By <u>WDP</u> NARA Date <u>7/14/00</u>

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341958

SECRET

7. The purpose of WARX 99226 directive is to restore property looted by German forces and their fascist allied to the countries of origin. It was not intended to dispossess racial or religious refugees.

8. Paragraph 6 of WARX 99226 is therefore amended by adding the following sentence thereto:

"Household goods, valuables, art objects and other personal property owned and removed from a country by refugees who left that country for religious or racial reasons and who choose not to return to that country, will not be subject to restitution."

JCS 1570/8

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Enclosure "A"

DECLASSIFIED
Authority NND 765027
By WPP NARA Date 7/14/00

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341959

SECRET

ENCLOSURE "B"

From: Office of Military Government for Germany (U.S.)

To : Joint Chiefs of Staff

Nr. : CC 1929

23 March 1946

1. Expansion of scope of restitution to include former enemy countries is subject. Reference your WX-99226 of 5 March 1946 as supplementing your WX 85965 of 29 November 1945. Quadripartite definition of restitution of 21 January 1946 CONL/P (46) 3 revise (see U.S. Political Advisor to Secretary of State telegram 198 of 22 January 1946 and U.S. Political Advisor to Secretary of State telegram 169 of 19 January 1946 quoting definition adopted by Coordinating Committee considered here as confining eligibility for restitution to Allies. Use of "removed by enemy" and "occupation" in defining property to be subject to restitution as well as reference to "United Nation" in the quadripartite definition have been interpreted by other Allied representatives as restrictive and prior to receipt of above radio WX-99226 of 5 March 1946 the Restitution Procedures (RDR) Committee of Reparations Deliveries and Restitutions Directorate had unanimously agreed to recommend that eligibility for restitution be limited to signatories of declaration of 5 January 1943 and Paris Reparations Conference of 21 December 1945 together with such other nations as may hereafter be specified by Allied Control Council. This recommendation is to be considered by RDR Directorate meeting on 25 March 1946 and informal discussion with delegates of Allies indicate Committee's recommendation will be approved and the recommendation forwarded to Coordinating Committee unless U.S. objects.

JCS 1570/8

31

ENCLOSURE "B"

DECLASSIFIED
 Authority AND 765027
 By WPP NARA Date 7/14/00

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SECRET

2. On view of attitude of other Allies as indicated above and the possibility of additional drains on minimum allowable economy of Germany as a whole and U.S. zone in particular, we request your reconsideration of entire directive of WX-99226 of 5 March 1946. Your attention is invited to fact that International Military Tribunal indictment of German war criminals makes no mention of Italy, Hungary, Rumania, or Finland as victims of utilization of Nazi control for foreign aggression.

3. Political advisor, OMCUS, informs us that State Department has already authorized issuance of invitations to nations listed in WX-99226 of 5 March 1946 to submit claims. We believe any restitution under these claims would be unilateral in our zone and inconsistent with uniform treatment of Germany. We are convinced that other occupying powers, anxious for maximum reparations and minimum cost of occupation, will evidence no interest in restitution to former Axis associates. Initiation of action to obtain revision of quadripartite definition of restitution to cover new directive, or quadripartite or tripartite agreement to consider these enemy nations as eligible for restitution, as well as any unilateral action in U.S. zone will await your reply to this communication. If commencement of restitution from Germany to Austria is desired without delay on a unilateral basis request special separate cable authorizing such action regarding Austria.

Note : 198 is CM IN 5642 (25 Jan) CAD

CM IN 5322 (24 March 1946)

JCS 1570/8

32

Enclosure "B"

DECLASSIFIED
 Authority NND 765027
 By WPP NARA Date 7/14/00

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341961

RESTRICTED

ENCLOSURE "C"

From : Commander in Chief, U.S. Forces of Occupation in Austria

TO : Joint Chiefs of Staff

Nr. : P 5687

31 March 1946

Subject: restitution to former enemy countries, reference
CC 1929 Clay to the Joint Chiefs of Staff, 24 March 1946.

Concur in view expressed by Clay in CC 1929. In view of precarious position of Austrian economy, recommend that provisional paragraph 6, WAR 99226, be made applicable to paragraph 2b as well as paragraph 2c, WARX 99226, as regards restitution from Austria to former enemy countries. Concur in Clay's suggestion for separate cable authorizing action regarding Austria.

CM-In-14 (1 Apr 46)

GCS 1570/8

33

Enclosure "C"

DECLASSIFIED
Authority NND 765027
By WPP NARA Date 7/14/00

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Box 1 (1946)

341962

CONFIDENTIAL

page 2 - Restitution of Italian property removed by the Germans

The Italian Government has been permitted to send a small preliminary mission composed of two persons to Vienna and Berlin, and this request has been transmitted to our Military Authorities there.

July 16, 1946

TO: Mr. Homer M. Byington, Jr.
FROM: H.G. Ainsworth
SUBJECT: Restitution of Italian property removed by the Germans

With respect to the attached file on restitution, you may wish to inform General Hamblen that he is correct in assuming that this matter is being handled through diplomatic channels and that therefore no action on his part appears to be necessary.

The question of securing an agreed policy among the four occupying powers with regard to restitutions from the various zones of Germany and Austria is currently under discussion by the Control Council at Berlin, and it is understood that no decision has as yet been reached. Discussions are proceeding on the basis of a proposal made by the United States Government, and that proposal has already been accepted in principle as a basis for an "interim program" of restitutions from the United States zone of operation alone. The fact that we are willing to institute an interim program was communicated to the Italian Government last March and the Government was notified to prepare lists of property removed from Italy for transmittal to the United States Military Authorities in Berlin and Vienna through this Embassy. Last week the Embassy received the first group of lists prepared by the agencies of the Italian Government and has forwarded copies to Berlin and Vienna and to the Department.

One of the complications at this time is that the Italian Government has not been fully informed concerning the policy which the United States Government laid down and communicated to the U.S. Military Authorities in Berlin and Vienna as a restitution directive regarding the types of equipment which may be restituted and documentation which should accompany the lists of property. The Embassy has asked the Department of State whether it may be appropriate to inform the Italian Government more fully at this time in order to facilitate the preparation of farther lists, and incidentally in order to avoid any tendency on the part of the Italian Government to expect too much from the program.

SECRET

400 - Italy - Claims Against Germany

DECLASSIFIED
Authority NND 765027
By WPP NARA Date 7/14/00

RG 84
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341963

CONFIDENTIAL

page 2 - Restitution of Italian property removed by the Germans

The Italian Government has asked permission to send a small preliminary mission composed of two persons to Vienna and Berlin, and this request has been transmitted to our Military Authorities there.

400

HGA/vmd

SECRET

DECLASSIFIED
Authority NND 765027
By WDP NARA Date 7/14/00

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COPY

SECRET

OPD 091 (Germany) (9 Mar 46)

9 March 1946

MEMORANDUM FOR THE COMMANDING GENERAL, MEDITERRANEAN THEATRE
OF OPERATIONS, CASERTA, ITALY.

SUBJECT: Supplementary Directive to the C in C, US Zone of Occupation,
Austria, Germany, on Restitution.

1. On 4 March 1946, the Joint Chiefs of Staff approved JCS 1570/3 and the draft directive in the appendix thereto was transmitted to the Commanding General, U. S. Forces of Occupation in Austria, and the Commanding General, U. S. Forces, European Theater, with the following minor changes:

In paragraph 3 of the draft directive, on page 10 of JCS 1570/3, the following words were added: "provided acquisition occurred during the respective periods of occupation detailed in subparagraph 4 b below."

2. The inclosure, subject as above, is forwarded for information.

3. Similar inclosures are being furnished the Commanding General, U. S. Forces, European Theater, the Commanding General, U. S. Forces of Occupation in Austria, the Chief, United States Military Representation, Allied Control Commission, Rumania, and the Chief, United States Military Representation, Allied Control Commission, Hungary, for information.

H. A. CRAIG,
Major General, GSC
Acting Ass't Chief of Staff, OPD

JAMES R. LANEY
Lt. Colonel, GSC
ASS'T EXECUTIVE OFFICER,
Strategy and Policy Group

1 Incl

JCS 1570/3 Cys No. 101

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Authority NND 765027
By WDP NARA Date 7/14/00

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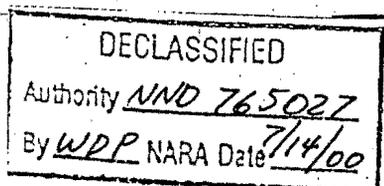
SECRETCOPY NO. 101.J.C.S. 1570/3.21 February 1946.Pages 9 - 11 incl.JOINT CHIEFS OF STAFFSUPPLEMENTARY DIRECTIVE TO THE COMMANDER IN CHIEF
U. S. ZONE OF OCCUPATION, AUSTRIA (GERMANY) ON RESTITUTION.Note by the Secretaries.

The enclosed draft directive, circulated as the Appendix to SWNCC 204/5, was forwarded by the State-War-Navy Coordinating Committee with the request that it be transmitted to the Commanders in Chief of U. S. Forces of Occupation in Germany and Austria, respectively, as a supplement to WARX 85965 (Enclosure to J.C.S. 1570, as amended).

A. J. McFARLAND,

C. J. MOORE,

Joint Secretariat.

JCS 1570/3
Enclosure 1

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341965

APPENDIX.

SUPPLEMENTARY DIRECTIVE TO THE COMMANDER IN CHIEF,
U. S. ZONE OF OCCUPATION, AUSTRIA, (GERMANY) ON RESTITUTION.

1. This directive, received from the State, War and Navy Libraries, Departments, is issued to you as Commander in Chief, U.S. Zone of Occupation, Austria, (Germany) and U.S. member of the Allied Council, Austria, (Germany).

Subject directive applies to restitution from Germany going and Austria to Italy, Hungary, Rumania, and Finland and from Germany to Austria. It supplements WARK No. 85965, 19 November 1945.

You will seek to obtain agreement in the Control Council of the application in the other zones of occupation of the policies laid down in this directive. If, in your judgment, it appears impossible to obtain quadripartite agreement, you will explore the possibilities of a tripartite agreement applicable to the three Western Zones and make appropriate recommendations to the Joint Chiefs of Staff.

You will proceed with the application of this directive in your own zone even prior to agreement, provided, however, that restitution of property defined in paragraphs 2 b and 2 c below will be effected only when the return of such property is certified by the appropriate representative of the claimant country to be urgently required for the rehabilitation and reconstruction of his country.

Items Subject to Restitution.

2. Without prejudice to the formation of a definitive restitution program, the following categories of property shall, as an interim measure, be subject to restitution in accordance with the provisions of this directive:

- a. Works of art and cultural works of either religious, artistic, documentary, scholastic, or historic value

JCS 1570/3

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including, as well as recognised works of art, such objects as rare musical instruments, books and manuscripts, scientific documents of a historic or cultural nature and all objects usually found in museums, collections, libraries, and historic archives.

b. Heavy and power-driven industrial and agricultural machinery and equipment, rolling stock, locomotives, barges and other transportation equipment (other than sea-going vessels and communication and power equipment).

c. Other goods, valuables (excluding gold, securities, and foreign currencies), materials, equipment, livestock and other property found in storage or otherwise in bulk form.

3. Property mentioned in subparagraph 2a above shall be restored to the government of the country from which it was taken or acquired in any way, whether through commercial transactions or otherwise, upon submission of satisfactory proof of its identifiability by the claimant government.

4. Property mentioned in subparagraphs 2 b and 2 c above shall be restored to the government of the country from which it was taken only if:

a. The claimant government submits ^d satisfactory proof that the property in question was acquired by Germany as the result of an act of force or was removed into Germany or Austria without compensation; and

b. The property in question was taken from Italy during ^{amended to 25 July 1943} the period of (3 September 1943) to 15 May 1945; from Hungary during the period 20 January 1945 to 15 May 1945; from Austria during the period 12 March 1938 to 15 May 1945; from Rumania during the period 12 September 1944 to 15 May 1945; and from Finland during the period 19 September 1944 to 15 May 1945.

JCS 1570/3

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Appendix

DECLASSIFIED
Authority NND 765027
By WDP NARA Date 7/14/00

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341967

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5. Restitution of rolling stock, locomotives, barges and other transportation may be deferred until you have formulated an over-all program phased so as not to reduce available transportation below that required for military deployment and for purposes of the occupation, including restitution to the United Nations, minimum requirements of the Austrian (German) economy, removal of industrial plant and equipment for reparations, as well as such recommendations as have been, or will be made, by European Central Inland Transport Organization. You will as soon as possible submit such a program to the Joint Chiefs of Staff for approval.

6. Restitution of any item mentioned in subparagraph 2 c above need not be made if, in your judgment, restitution would jeopardise satisfaction of the minimum requirements of the Austrian (German) economy or would give rise to a need for additional U.S. assistance to, or imports into, Austria (Germany).

General Provisions.

7. The procedures and general provisions contained in paragraphs 3 through 9 of WARX 85 965, 29 November 1945, shall be applied in carrying out this directive.

JCS 1570/3

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Appendix

DECLASSIFIED
Authority NND 765027
By WPP NARA Date 7/14/00

RG 84
Entry 2780
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Box 1 (1946)

341968

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

AG CABLES



INCOMING MESSAGE

CONFIDENTIAL

TOO 212332Z

RECD 220756A NOV 47 144/22

CONFIDENTIAL

ROUTINE

POLITICAL DIVISION

FROM : CHIEF OF STAFF US ARMY FROM CSCAD
TO : OMGUS
INFO : FUCOM
REF NO : WX-90378 CITE: ECON

Reurads July CC 9818 and July CC 1034 and August CC 1452. Proposed Compensation Law is subj. For purpose enabling us give comments substantive provisions Draft Law would appreciate clarification fol points:

1. While we realize gen desirability of making start on Compensation Program we wish to know whether there are particular reasons for submitting draft at this time.

2. Why is Draft law confined to 4 specific types of claims? This limitation appears to have fol disadvantages:

- (1) It creates impression that it is intended to give claimants to which law applies priority over claimants of other types equally entitled to compensation.
- (2) Vast majority of claimants under law will be German Natls, which seems to give them preference over non-German Natls whose claims against Germany deserve equal consideration. This implication will create strong opposition abroad.
- (3) Beneficiaries under Draft law, except for expellees are mainly wealthy persons who owned foreign exchange assets, merchant ships or factories, which results in discrimination against less wealthy persons and will lead

400-Claims
11/22/47

AGC LN 77637

Pd 5053

CONFIDENTIAL

Copy No

Form OMGUS-252 (29 May 47)

Exempt from paraphrase. Handle in compliance with AR 380.5

DECLASSIFIED
Authority 111576003
By CP NARA Date 7/13/00

RG 84
Entry 2531B
File 400 Claims
Box 128 (1947)

341969

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

-2-

REF NO: WX-90878

support to charge by certain Political Groups and others that we favor property classes;

- (4) In case desirable to establish any priority for claims, suggest considering further personal injury and death claims resulting from discriminatory acts, mistreatments, forced labor, internments and captivity as distinguished from property losses; and among claims for property losses giving reference to persons in need and to claims resulting from looting, discriminatory acts, hostage pmts and tortuous acts in gen over claims resulting from Mil operations, requisitioning, enforcement of war measures and reparations.
- (5) Contributions to be imposed under CDG plan, on individual Germans are estimated to be many times greater than losses to which Draft Law applies. Since losses resulting from contributions to proposed equalization fund under CDG plan and those resulting from war should be similarly compensated, Draft Law provides for registration of claims should not imply priority of pmt between these 2 classes.

3: To establish uniform basis for all classes of war losses and efficient, simple, speedy, and inexpensive ministrative machinery ensuring fair and equitable compensation to all claimants, Germans and non-Germans, seems to imply the following:

- (1) Subj to exception stated under (5) below, all valuation should be in Reichsmarks whether the loss results from the seizure of foreign exchange asset or from bomb destruction of property in Germany. This would ensure that as result of financial reform the compensation to be recd would be subj to same write-down as are all other German claims.
- (2) Assessment for German tax purposes should be to extent feasible basis for estimating loss rather than foreign liquidation value for German external assets or valuation by ACC for reparation removals or by TMMC for ships. This would make compensation

AGC IN 77637

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

DECLASSIFIED
Authority <u>111576503</u>
By <u>W</u> NARA Date <u>7/13/00</u>

RG	<u>84</u>
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341970

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

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REF NO: WX-90878

independent of liquidation figures for external assets which will be difficult to obtain. Furthermore, adoption of 1935 adjusted tax value which is the proposed basis for CDG plan would have important administrative advantages and ensure greater fairness in granting compensation.

- (3) Compensation should be paid for the seizure of assets irrespective of liquidation. In particular also for patents, trademarks and copyrights; it seems inequitable to deny such claims merely on ground that valuation of such assets imposes heavy administrative burdens on claims office.
- (4) So far as (2) above is inapplicable, there should be uniform rate of exchange for external assets liquidated in foreign countries. Wherever possible uniform rate which will be established for international transaction should be used.
- (5) Special provision may have to be made for compensation to non-Germans for liquidation of their interests in German external assets.

Subj to your comments in reply to foregoing we are inclined favor

- (1) One gen law for the registration of all lawful and eligible claims to be enacted in anticipation of financial reform, and
- (2) If possible, Compensation law for claims determined to deserve priority to be effected even before financial reform

CC-9818, 10 July 47, FIN
 CC-1034, 26 July 47, FIN
 CC-1452, 30 Aug 47, FIN
 ACTION : FIN
 INFO : C/S
 FIN AD EUCOM
 LEGAL
 ECON

CONT OFF
 POL AD EUCOM
 INTELL

AGC IN 77637

22 Nov 47 FE/ah

REF NO: WX-90878

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

DECLASSIFIED
 Authority 11176003
 By CS NARA Date 7/13/00

RG 84
 Entry 2531B
 File 400 Claims
 Box 128 (1947)

341971

Copy

Dr. Bruno Altenberg,
Milano,
Corso Porta Vittoria N.58.

Registered

Milan, February 20th 1946.

Mr. A.C.E. Malcolm,
British Embassy,
R O M E

Dear Mr. Malcolm,

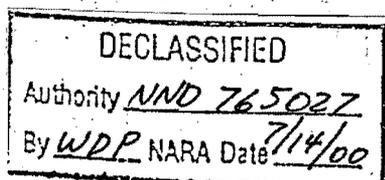
I thank you very much for your kind letter of 7th February (155.3.46) which you addressed to me on the subject of indemnities payable by the Italian Government to Jewish persons for damages suffered as a result of the Fascist racial laws and I took cognizance of your referring to the Lieutenant's Decree law of April 12th 1945. I am however sorry that I must tell you that, according to my opinion, the said Decree will not serve much the persons who had charged me to defend their interests in the proceedings before the Italian Authorities. The Decree of April 12th 1945 n.222 exclusively regards disposal of real estate, of commercial houses and donations which were a consequence of racial laws or dispositions. The cases however, which were the base of my letter December 13th regarded damages of plundering, by bombardments, or by measures of the fascist government or the fascist authorities in the widest extension, not only real property or commercial houses, transferred or alienated, charged or indebted in consequence of these measures, but all the matters of fact, in which a Jewish merchant was forced to shut his shop or his house or a Jewish physician or agent could no more exercise his profession, especially because he was interned in a concentration-camp or was to remain hidden, and so on, and all this without a legal base, only because he was of Jewish origin.

I therefore beg you, dear Mr. Malcolm, to speak once more to Sir Noel Charles and to see if there is not the possibility to intercede in favour of these victims, as I had written in my letter of December 13th, because these poor people have none who may defend their interests unless the Governments of Great Britain and of the United States of America.

I should be glad if my letter would help to facilitate the mischief of these unfortunate victims of the war, and remain,
dear Sir,

very faithfully yours,

ALTENBERG.



RG	<u>84</u>
Entry	<u>2779</u>
File	<u>840.1</u>
Box	<u>187(1946)</u>

341972

File

Berlin, August 13, 1947

UNCLASSIFIED

MEMORANDUM

To : Mr. E. N. Reinsel, Chief
Property Control Branch

From : Office of Political Affairs

Reference is made to your letter dated December 31st 1946 to Mr. Paul Rath of 520 1/2 South Berendo Street, Los Angeles, California. This office has been approached by Mr. Rath's attorney to assist the latter in restitution of property sold under pressure of the Nazi regime.

We are enclosing herewith, a letter which Mr. Rath sent to the Property Control Section of British Military Government on the 6th of June, which explains the action taken by a certain German judge at Flensburg. From the contents of this letter, it would seem that the German authorities in question are quite openly flaunting their disregard of Military Government Law No. 52 and the desire on the part of the occupying powers to affect satisfaction in matters of this kind. It would be appreciated if your office would again bring this matter to the attention of the Property Control Branch of British Military Government expressing your interest in the case and asking that it be further investigated. We are advising Mr. Rath's attorney of our concern in this case and assuring him that appropriate steps will be taken to safeguard the interests of his client.

Wesley C. Haraldson,
Acting Chief, Economics Branch

Enclosure:

Mr. Rath's letter of June-6
to British Military Govt.

WCHaraldson:ad

RG 84
Entry 2531 B
File "350 Property
Box 127 (1947)

341973

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Authority 1115765023
By W NARA Date 7/13/00

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Property Control Sec
HQ Military Government
Hansestadt HAMBURG
609 HQ CCG
BAOR

609/PC/EO/R

25 Feb 47

Subject: PROPERTY IN THE BRITISH ZONE.

Paul Rath, 520 1/2 S. Berendo St., Los Angeles 5, Calif.

1. With reference to you letter dated 25 Jan 47 with annexures regarding properties in the British Zone, we have written to the appropriate Property Control Sections in whose area the properties are situated, asking them to report direct to you in due course.
2. This Section (HAMBURG) will report as soon as possible on the reported confiscation of your account with the VEREINSBANK.

BAOR
RFL/JR

/s/

Looks like
R + Rental?

Senior Control Officer

DECLASSIFIED
Authority <u>111576503</u>
By <u>12</u> NARA Date <u>7/13/00</u>

RG	<u>84</u>
Entry	<u>2531B</u>
File	<u>"350 Property</u>
Box	<u>127 (1947)</u>

341974

C
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DEPARTMENT OF STATE
Washington

In reply refer to
FA

January 23, 1947

The Department of State transmits herewith a letter from the Chief, Property Control Branch, Finance Division, Office of Military Government for Germany (U.S.), regarding your interests in Germany. This letter was forwarded to the Department from the United States Political Adviser at Berlin.

FSL-73
10-25-46

RG 84
Entry 2531 B
File "350 Property
Box 127 (1947)

341975

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By CP NARA Date 7/13/00

REPRODUCED FROM ORIGINAL ARCHIVES

COPY

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
Finance Division
APO 742

31 December 1946

Mr. Paul Rath
520 1/2 South Berendo Street,
Los Angeles 5, Cal., U.S.A.

Dear Mr. Rath:

Reference is made to your letter dated 25 October 1946, concerning property in occupied Germany, received through the Department of State on 27 December 1946.

Please be advised that the information concerning the real properties and the mortgage has been referred to the British property control authorities for investigation, as the described properties are in the British zone of occupied Germany. The British authorities have been requested to take protective custody of the properties, if such action is warranted by their findings.

In regard to the fines, levies, and other confiscatory acts of the Nazi regime, you are advised that the Finance Division of the Office of Military Government for Germany (U.S.), in collaboration with all other interested occupation authorities, is formulating a program for the processing and ultimate disposition of claims for damages or loss sustained by reason of discriminatory acts of Nazi Germany. Wide publicity will be given to these policies and procedures as soon as they have been completed so that all claimants may take the proper steps to present their claims.

Sincerely yours

/s/ E. N. Reinsel

E. N. REINSEL
Chief, Property Control Branch

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File "350 Property
Box 127 (1947)

341976

DECLASSIFIED
Authority 1115765003
By W NARA Date 7/13/00

REPRODUCED AT THE NATIONAL ARCHIVES

Paul Roth

Los Angeles 5, Calif., October 25, 1946
520 1/2 South Borwick Street

Department of State
Washington

Ref. "Property claim in Germany"

1) b. Naturalized American citizen August 23, 1946 Los Angeles, California
number 6639923.

2) a. Building: Flensburg, Holm 3c/14, Suedergraben 25,
law court file 3a 11 Blatt 319 and 2a 44 Blatt 1294. Bought in
November 1926 from Grundstuecksgesellschaft m.b.H., Hamburg, for
the amount of Goldmark 250,000.- and fees of about RM 20,000.-
together Goldmark 270,000.-
I had to sell this property on 2/4/1939 to Walter Haerand, Flensburg
for Reichsmark 160,000.- (My net income out of this building was
Goldmark 36,000.- a year)

Villa: Flensburg, Marienholmgangsweg 7,
law court file 1a 57, Blatt 1703

I built this house in 1924/25 for the amount of
Goldmark 130,000.-

I had to sell this villa on 2/4/1939 to Walter Haerand, Flensburg
for the amount of Reichsmark 46,000.-

On December 9, 1938 the Nazis decreed that all real estate in
Germany, owned by Jews, whether living in Germany or abroad had to be
sold to a German arien, to a price, fixed by the Nazis without
regard to the value. I had to comply with this decree, despite
the fact that I left Germany already in 1935. When this anti
Jewish decree was published, all my relatives were still in
Germany and I had prepared their emigration partly to England,
partly to Holland. Would I have refused to sell my real estate,
my relatives would have been taken as hostages into a concentra-
tion camp, as it was customary at that time in Germany. In this
way the Nazis enforced their anti Jewish laws also upon those
who were emigrated long ago.

Ranch: Amerischer Byland,

Law court file 2a 1 Blatt 12 Klove (Rhinelend)

On 2/22/1939 I had to sell this ranch for the same reasons as
mentioned above to Rheinisches Heim G.m.b.H., Bonn, Rhineland
for Reichsmark 78,482.36 despite the fact that the value at this
time was Reichsmark 100,000.- This ranch is still in the file
of the law court, Klove, on the name of Rheinisches Heim, which
owned by the German Reich.

Ranch: Law court file Janet Loenis near Krefeld, 1a 35 Blatt 1614
For the same reasons I had to sell this ranch for the amount of
Reichsmark 55,000.- despite of its value of at least Reichsmark
105,000.-

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Authority H11576003
By [initials] NARA Date 7/13/00

I consider all these forced sales of my real estate as unlawful, as they were enforced by special anti Jewish legislation of the Nazis, and I request that Germany returns these properties to me. I shall refund the amounts paid for.

the preamble of a German emigration law of April 1938 reads as follows:

"In order to prevent the emigration of the wealthy citizens out of Germany, everyone who wants to emigrate has to pay a 25% emigration tax of his fortune. The rest will be transferred to the official rate of the German money abroad."

I emigrated out of Germany in November 1938 because of the persecution of the Jews. Despite the fact that I was forced to leave Germany in order to save my life, I had to pay

Reichsmark 284,371.50

for emigration tax. The value of this emigration tax was when I paid it
\$ 113,949.40

As I didn't get the transfer as provided in this emigration law, I received for Reichsmark 350,000.- only \$ 42,000.- instead of \$ 140,000.- I had to take a loss of

\$ 108,000.-

In 1938 The Nazis decreed a special Jewish taxation of 25% capital levy. This law included also all Jewish refugees abroad who were still German citizens. As my real estate was in Germany, and also all my relatives were still in Germany, I had to comply also with this Jewish tax. I paid

Reichsmark 207,750.-

which was at that time a value of

\$ 83,000.-

I have been expatriated by the Nazis by special decree on 12/13/1940, and my property at this time still in Germany was confiscated simultaneously.

Mortgage at Milchenbach near Siegen, Westfalen, law court file Milchenbach Bd 28 Blatt 396 for the amount of

Goldmark 4,000.-

has been confiscated as mentioned above. According to a letter of August 29, 1946 of the law court Milchenbach, this mortgage is still in favor of Deutsches Reich, but now registered at the law court of Milchenbach Bd 43 Blatt 669. The value of this mortgage is

\$ 1,600.-

3/ According to a letter of 9/9/1941 of Verinsbank, Hamburg, Alter Hell 20-30 Reichsmark 120,638.20

Reichsmark 120,638.20

have been confiscated by the Nazis on March 19, 1941. This confiscation was the consequence of my expatriation on December 13, 1940. The value of the RM 120,638.20 on Reichsmark March 19, 1941 was

\$ 49,279.20

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Authority 11176003
By [signature] NARA Date 7/13/00

According to the statement of Konversionskasse fuer deutsche Ausland-
rechnungen, Berlin of March 1941.

Reichsmark No. 544.60

have been confiscated there by the Nazis for the same reason as
mentioned above. The value of this amount was at the day it has been
confiscated

RM 2.217.04

I want you to request that the German Reich release these accounts,
mentioned under number 3, and the interest of the day of the confiscation

I would appreciate it very much, if you would be kind enough to
confirm the receipt of this claim.

5/ Mr. Sallie Rath, 20 Highworth Ave Cambridge, England
Attorney Hoogen 23 Glessering, Kempfer Rode Krefeld, Germany
Richard Mentz, 10 Gryphens Strasse, Hamburg, Germany
Respectfully yours

P. R.
Paul Rath

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Authority 111576003
By CP NARA Date 7/13/00

RG 84
Entry 2531B
File 350 Property
Box 127 (1947)

341979

Berlin, February 1, 1947

See memo to Colon. Dir. Dec. 23, 1946

UNRESTRICTED

No. 8729 ✓

SUBJECT: PAINTINGS BELONGING TO E. G. RATHENAU,
AN AMERICAN CITIZEN.

The United States Political Adviser for Germany has the honor to refer to his despatch no. 8429 dated January 10, 1947, on the above subject and to report that information just received through the Restitution Branch of OMGUS indicates that the paintings in question have already been located and were restituted to the Netherlands Government by USEFT.

Enclosed herewith is a copy of the letter received from the Reparations and Restitution Branch of U. S. Forces in Austria, which furnished the information. Also enclosed is a copy of a letter sent directly to Mr. Rathenau by the Restitution Branch of OMGUS.

Enclosures:

- 1. Copy of January-15 letter from Reparations & Restitution Branch, USFA, to Restitution Branch, OMGUS
- 2. Copy of January-24 letter from Restitution Branch, OMGUS, to Mr. Rathenau, with copy to Mrs. Ettlinger

In ozalid to the Department

Copies for CE - Mr. Riddleberger
GA - Mr. Kindleberger

File no. 400b

RRice/rr

JM

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Entry	2531 B
File	"350 Property
Box	127. (1947)

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DECLASSIFIED
 Authority 111576003
 By LR NARA Date 7/13/00

350 - Rathenau

2/1/47

Enclosure 1 to despatch 8729
dated February 1, 1947, from
Berlin

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

Ref: ED 007 (RES/MFAA) 2461

ME/ab
15 Jan 1947

SUBJECT: Paintings Belonging to Mr. Ernest G. Rathenau

TO : Office of Military Government for Germany (U.S.)
Economics Division, Restitution Branch
APO 742, US Army

1. Before leaving Germany in 1939, Mr. Rathenau made arrangements with the Ryksmuseum in Amsterdam for storing his picture collection there, as a sort of legacy to the Museum, in order to save it from being looted by the Germans. When the Germans occupied Holland in 1940, this collection was declared German Jewish property and taken to Munich.

2. Subject collection was located by the Central Collecting Point and recently restituted by USFET to the Netherlands Government, which claimed this property.

3. The collection is complete and in perfect state and includes the following two paintings:

- a. Jacob van Ruysdael: View of Haarlem (Rosenberg 42)
- b. Jan van der Heyden: Amsterdam: The Keizersgracht with the Westerkerk (Hofstede de Groot 11)

They will be returned to Mr. Rathenau by the Netherlands Government, in accordance with the restitution agreement.

FOR THE DIVISION CHIEF:

/s/ E.S. McKee
/t/ E.S. McKee
Lt. Col., Inf.
Chief, R & R Branch

Telephone: Vienna A-25345

Copies furnished to:

Mr. Demus, Staatsdenkmalamt
OEMGO, PC & R Section, APO 541
Munich Collecting Center

COPY

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Entry 2531 B
File "350 Property"
Box 127 (1947)

341981

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Authority <u>1115765023</u>
By <u>4</u> NARA Date <u>7/13/00</u>

Enclosure 2 to despatch 8729 of
February 1, 1947, from Berlin

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
Economics Division
Restitution Branch
APO 742

24 January 1947

Mr. Ernest G. Rathenau
303 West 106th Street
New York 25, N. Y., U.S.A.

Dear Sir:

This office wishes to acknowledge the receipt of your letter concerning two paintings looted by the Germans, dated 8 January 1947 and reference is made to your letters, same subject as above, dated 4 June and 7 November 1946, and to our letter, dated 23 November 1946.

Recent information received from Austria (Réparations, Deliveries and Restitution Division, Réparations and Restitution Branch, APO 777, U. S. Army) signed by Lt. Col. H. S. McKee, differs entirely from that you sent to this office. It reads as follows:

(Lt. Col. McKee's letter - enclosure 1
to this despatch - quoted)

A check of our files reveals that these two paintings have been restituted to the Netherlands on 30 March 1946 (Dutch Receipt No. 9a (USFET) signed by Captain Edwin C. Rae, Chief MFA&A Section, Restitution Branch, OMC for Bavaria, Munich and by Lt. Col. A. P. A. Vorenkamp, Commissioner General for Netherlands, Economic Recuperation). This restitution shipment to Holland included 278 items: the "van der Heyden" is listed under No. 9(3500) and the Ruysdael under No. 27(4336). Copies of Property Cards are attached herewith.

This procedure is conformed to the United States policy concerning looted cultural material moved into Germany from outside its boundaries which provides that such objects will be restituted to the government of the territory from which they were removed by the enemy (to be compared with the United States policy regarding "internal" restitution mentioned in our letter, 23 November 1946).

It is therefore suggested that you write to the Dutch Government for the Netherlands Commissioner General

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File "350 Property
Box 127 (1947)

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Authority 111576003
By CS NARA Date 7/13/00

341982

-2-

for Recuperation (Col. L. F. Otto), 105 Kezersgracht, Amsterdam (Telephone: Amsterdam 30900) furnishing statements of ownership.

A copy of this letter is sent to Mrs. Ellen Ettlinger, 44 Linkside Avenue, Oxford, England.

Sincerely yours,

RICHARD F. HOWARD
Chief, REASA Section

COPY

DECLASSIFIED
Authority <u>1115765003</u>
By <u>CP</u> NARA Date <u>7/13/00</u>

RG	<u>84</u>
Entry	<u>2531 B</u>
File	<u>350 Property</u>
Box	<u>127 (1947)</u>

341983

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
APO 742

JAN 20 1947
WRC

FILE NO ED 007 (RES/MFAA) 2421
SUBJECT Art Property Belonging to Mr. E.G. Rathenau, an American Citizen

NO	TO	FROM	DATE	(Has this been coordinated with all concerned?)
1	ODPA	Rest Br, ED	24 Jan 47	Attn: Mr. Wesley C. Haraldson

Attachments to Dept Dec 23 1946 RL

1. Reference is made to your memorandum, subject as above, dated 23 December 1946 and to our carrier sheet, same subject, dated 3 January 1947.

2. Attached herewith is correspondence regarding this case, forwarded to you for information.

FOR THE CHIEF, RESTITUTION BRANCH:

for C. M. Fleischer

RICHARD F. HOWARD
Chief, MFA&A Section

- 2 Incls:
 - Incl 1 - Cy of ltr, "Paintings Belonging to Mr. E.G. Rathenau, an American Citizen", Hq, USFA, 15 Jan 47
 - Incl 2 - Cy of ltr, OMGUS to Mr. E.G. Rathenau, 24 Jan 47

POLITICAL DIVISION
JAN 24 1947

Telephone 42961
Rm 1051, Econ Bldg

(Page No.)

RG 84
Entry 2531 B
File 350 Property
Box 127 (1947)

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Authority 11176003
By W NARA Date 7/13/0

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HEADQUARTERS
UNITED STATES FORCES IN AUSTRIA
USACA SECTION

Reparations, Deliveries and Restitution Division
Reparations and Restitution Branch
APO 777, U. S. Army

APO 742

ET/db
15 Jan 1947

Ref: ED 007 (RES/MFAA) 2461

SUBJECT: Paintings Belonging to Mr. Ernest G. Rathenau, an American Citizen

TO: Office of Military Government for Germany (U.S.)
Economics Division, Restitution Branch
APO 742, US Army

1. Before leaving Germany in 1939, Mr. Rathenau made arrangements with the Ryksmuseum in Amsterdam for storing his picture collection there, as a sort of legacy to the Museum, in order to save it from being looted by the Germans. When the Germans occupied Holland in 1940, this collection was declared German Jewish property and taken to Munich.
2. Subject collection was located by the Central Collecting Point and recently restituted by USFET to the Netherlands Government, which claimed this property.
3. The collection is complete and in perfect state and includes the following two paintings:

- a. Jacob van Ruysdael: View of Haarlem (Rosenberg 42)
- b. Jan van der Heyden: Amsterdam: The Keizersgracht with the Vesterkerk. (Hofstede de Groot 11)

They will be returned to Mr. Rathenau by the Netherlands Government, in accordance with the restitution agreement.

FOR THE DIVISION CHIEF: which claimed this property. The collection is complete and in perfect state and includes the following two paintings:

/s/ E.S. McKee
/t/ E.E. McKee
Lt. Col., Inf. (Quartermaster)
Chief, R & R Branch

Telephone: Vienna A-25345

Copies furnished to:
Dr. Demus, Staatsdenkmalamt
OCMGO, FC & R Section, APO 541
Munich Collecting Center

Incl. 1

RG 84
Entry 2531B
File 1350 Property
Box 127 (1947)

341935

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Authority: 11/17/68
By: [Signature] NARA Date: 7/13/00

HP
HEP/gr

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
Economics Division
Restitution Branch
APO 742

A check of our files reveals that two paintings have been restituted to the Netherlands on 24 January 1947 (inter receipt no. 121) by Maria G. van der Meulen, Restitutions Officer, Central Collecting Point, Munich and by Lt. Col. A. E. J. van der Meulen, Netherlands Government, Economics Branch, 303 West 106th Street, New York 25, N.Y., U.S.A. The receipt is listed under no. 21150. Cards are attached herewith.

Dear Sir: This procedure is authorized by the United States policy concerning looted cultural property. This office wishes to acknowledge the receipt of your letter concerning two paintings looted by the Germans, dated 8 January 1947 and reference is made to your letters, same subject as above, dated 4 June and 7 November 1946, and to our letter, dated 23 November 1946.

Recent information received from Austria (Reparations, Deliveries and Restitution Division, Reparations and Restitution Branch, APO 777, U.S. Army) signed by Lt. Col. E. S. McKee, differs entirely from that you sent to this office. It reads as follows:

"Before leaving Germany in 1939, Mr. Rathenau made arrangements with the Ryksmuseum in Amsterdam for storing his picture collection there, as a sort of legacy to the Museum, in order to save it from being looted by the Germans. When the Germans occupied Holland in 1940, this collection was declared German Jewish property and taken to Munich where it was located by the Central Collecting Point and restituted to the Netherlands Government, which claimed this property. The collection is complete and in perfect state and includes the following two paintings:

- a. Jacob van Ruysdael: View of Haarlem (Rosenberg 42)
- b. Jan van der Heyden: Amsterdam: The Keizersgracht with the Westerkerk. (Hofstede de Groot 11)

Incl. 2

RG	84
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Box	127 (1947)

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 Authority: 11176003
 By: [initials] NARA Date: 7/13/00

They will be returned to Mr. Rathenau by the Netherlands Government, in accordance with the restitution agreement."

A check of our files reveals that these two paintings have been restituted to the Netherlands on 30 March 1946 (Dutch Receipt No. 9a (USFMT) signed by Capt. Edwin C. Rae, Chief MFA&A Section, Restitution Branch, CMC for Bavaria, Munich and by Lt. Col. A. P. A. Vorenkamp, Commissioner General for Netherlands, Economic Recuperation). This restitution shipment to Holland included 278 items: the "van der Heyden" is listed under No. 9(3500) and the Ruysdael under No. 27(4336). Copies of Property Cards are attached herewith.

This procedure is conformed to the United States policy concerning looted cultural material moved into Germany from outside its boundaries which provides that such objects will be restituted to the government of the territory from which they were removed by the enemy (to be compared with the United States policy regarding "internal" restitution mentioned in our letter, 23 November 1946).

It is therefore suggested that you write to the Dutch Government for the Netherlands Commissioner General for Recuperation (Col. L. F. Otto), 105 Keizergracht, Amsterdam (Telephone: Amsterdam 30900) furnishing statements of ownership.

A copy of this letter is sent to Mrs. Ellen Ettlinger, 44 Linkside Avenue, Oxford, England.

Sincerely yours,

- 2 Incls:
Incl 1 - Cy of Property Card
4336/Aussee 2985
Incl 2 - Cy of Property Card
3500/Aussee 2250

RICHARD F. HOWARD
Chief, MFA&A Section

Telephone BERLIN 42961

Copy furnished to:
Mr. [Name], [Address]
Munich Collecting Center

RG 84
Entry 2531B
File 350 Property
Box 127 (1947)

341987

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Authority 1115765003
By [Signature] NARA Date 7/13/00

2463

Copy

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
Economics Division
Restitution Branch
APO 742

23 November 1946

Mr. Ernest G. Rathenau
303 West 106th Street
New York 25, N.Y.
U.S.A.

Dear Sir:

This office wishes to acknowledge the receipt of your letter concerning two paintings looted in Germany, dated 7 November 1946.

United States policy concerning claims and inquiries regarding restitution states that those claims from individuals for the confiscation or loss of property which was at the time of the act located within Germany, shall fall under the category of "internal" restitution and all claims of this nature must await the adoption of an "internal" restitution program. This program will include the procedure under which claims from former German nationals now resident in other countries will be handled.

It is anticipated that a new Claims Branch for handling "internal" restitution will be set up. When a decision regarding that category of restitution has been reached, this office will forward all information to that Claims Branch.

We have sent letters of inquiry to Bavaria, Greater Hesse, Württemberg-Baden and Austria.

It is suggested that where possible photographs, published references, statements of history of ownership, detailed description including subject, identifying marks, material and measurements, all information necessary for the identification of the property be furnished to this office.

A copy of this letter is sent to Mrs. Ellen Ettlinger, 44 Linkside Avenue, Oxford, England.

We shall transmit to you any information reaching this office and keep you informed of any further development.

Sincerely yours,

RICHARD P. HOWARD
Chief, MPAA Section

Incl 2

RG 84
Entry 2531B
File "350 Property
Box 127 (1947)

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By CP NARA Date 7/13/00

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OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
Economics Division
Restitution Branch
APO 742

ED 007 (RES/MFAA) 2462

23 November 1946

SUBJECT: Paintings Belonging to Mr. Ernest G. Rathenau,
an American Citizen

TO : Restitution Branch
Economics Division
Office of Military Government for Greater Hesse
APO 633, U.S. Army
Attn: MFA&A Section

Restitution Branch
Economics Division
Office of Military Government for Württemberg-Baden
APO 154, U.S. Army
Attn: MFA&A Section

also to Barbarie and Austria.

1. This office is in receipt of information concerning two paintings belonging to Mr. Ernest G. Rathenau, 303 West 106th Street, New York 25 and to his sister, Mrs. Ellen Ettliger, 44 Linkside Avenue, Oxford, England, dated 7 November 1946.

2. The two following canvases are claimed by Mr. Rathenau:

a. Jacob van Ruysdael: View of Haarlem (Rosenberg 42)

b. Jan van der Heyden: Amsterdam: The Keizersgracht with the Westerkerk.
(Hofstede de Groot 11)

3. These paintings belonged formerly to the well known collection of the late grandfather of Mr. Rathenau, Mr. Marcus Kappel of Berlin. Mr. Rathenau and Mrs. Ettliger inherited these pictures after the death of their cousin Dr. Gerhart Noha of Berlin.

4. In 1939, the owners gave these paintings as pawns to a cousin by marriage, Dr. F. J. Sedlmayr, Georgenstrasse 20, Munich 2 No. They hoped that he, a Christian lawyer, would be able to save them. But they were confiscated by the Nazis.

incl. 3

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File "350 Property
Box 127 (1947)

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Authority 111576003
By CR NARA Date 7/13/00

Copy

5. Mr. Rathenau further states that he never heard from Dr. Sedlmayr, who divorced in the meantime his cousin Mrs. Dorothy Sedlmayr, nee Kristeller.

6. It is requested that an endeavor be made to locate this art property and any information available be transmitted to this office.

FOR THE CHIEF, RESTITUTION BRANCH:

Telephone BERLIN 42961

RICHARD F. HOWARD
Chief, MFA&A Section

DECLASSIFIED
Authority 111576003
By CR NARA Date 7/13/00

RG 84
Entry 2531 B
File 350 Property
Box 127 (1947)

341990

File Room Copy

Berlin, Germany
November 25, 1947

Mr. Eric G. Kaufman,
Counselor at Law
802 West 190th Street
New York 33, N.Y.

Dear Mr. Kaufman:

Your letter of September 6, 1947, regarding "Unclaimed Property - Successor Organizations", has been received. The answer to this letter was delayed because of the impending publication of the Law covering that subject. As you will have learned from the press, this Law, commonly known as Military Government Law No. 59 (Restitution Law), has now been promulgated and is in effect as of November 10, 1947. Article 10 of this Law reads as follows:

"A successor organization to be appointed by Military Government, shall, instead of the State, be entitled to the entire estate of any persecuted person in the case provided for in Section 1936 of the Civil Code (Escheat of estate of person dying without heirs). Neither the State nor any of its sub-divisions nor a political self-governing body will be appointed as successor organization. The same shall apply to other rights in the nature of escheat based on any other provision of law."

Article 1936 of the German Civil Code, referred to in Article 10 of Law No. 59, provides that the property shall escheat to the State in case the deceased persons leave neither a spouse nor a relative; "relative" within the meaning of the German Civil Code is a very broad term and according to the interpretation given in Article 1929 of the German Civil Code includes even the most remote next of kin.

350-Kaufman

11/25/47

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Authority 111576003
By CR NARA Date 7/13/00

RG 84
Entry 2531B
File 350 Property
Box 127 (1947)

341991

Your interest in this matter is very much appreciated.

Sincerely yours,

Roy I. Kimmel
Acting Chief
Economics Branch

JTRogers:jr

REN
jo

DECLASSIFIED
Authority 11176503
By CR NARA Date 7/13/00

RG 84
Entry 2531B
File "350 Property
Box 127 (1947)

341992

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

Finance Division

APO 742

Berlin, Germany
18 November 1947

MEMORANDUM

TO : Mr. Wesley G. Haraldson
Acting Chief, Economics Branch
Office of the Director of Political Affairs

FROM: Finance Division
Property Control Branch

1. Reference is made to your letter of (undated) September 1947 to Mr. Cassoday, of this Division, transmitting a letter from Eric G. Kaufman, Counselor at Law, New York City, dated 6 September 1947 addressed to Ambassador Murphy, re: "Unclaimed Property - Successor Organizations".
2. Attached you will find draft reply to this letter based on Military Government Law No. 59 promulgated by Military Government on 10 November 1947.

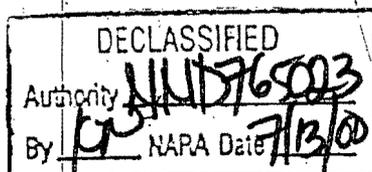
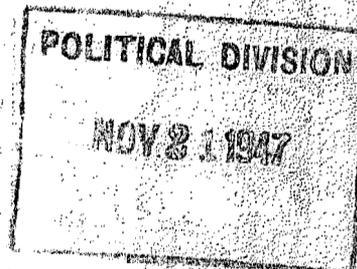
2 Incls:

Incl 1-Draft ltr
to Eric Kaufman
dtd 18 Nov 47

Incl 2-Ltr from
Eric Kaufman to
Ambassador Murphy
dtd 6 Sept 47 with
Inclosure

Telephone 42934
Rm 403B Fin Bldg

E. N. Reinsel
E. N. REINSEL, Chief
Property Control Branch



RG 84
Entry 2531B
File 350 Property
Box 127 (1947)

341993

ERIC G. KAUFMAN
COUNSELOR AT LAW
802 WEST 190TH STREET
NEW YORK 33, N. Y.

WADSWORTH 7-5028

September 6, 1947

*To Property
Control Board
Berlin 9/18/47
EK*

Mr. Haralson

Ambassador Robert D. Murphy
Office of the Political Adviser
Office of Military Government for Germany (U.S.)
APO 742

My dear Mr. Ambassador:

The "Unclaimed Property- Successor Organization" question has deadlocked the 4 power negotiations on the Restitution Law.

The difficulties can be mitigated substantially, if the disputed property fund will be deflated and a perhaps unintentional but grave injustice in the draft law, the transfer of the inheritance rights of close relatives to the organizations, will be eliminated.

My suggestion has already received the oral approval of one of the American organizations concerned. However the unexpected delay in transmitting it to the competent authorities in Berlin may be caused by a conflict in interest.

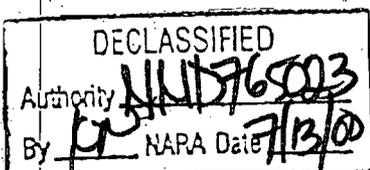
I, therefore, enclose copy of my exposé to the organization and respectfully pray for your kind cooperation to have the slight but very important change in the law submitted and accomplished in time.

Your kind consideration of the matter is highly appreciated.

Very sincerely yours

Eric G. Kaufman
Eric G. Kaufman.

1 enclosure
K/kn
Airmail.



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Eric G. Kaufman
802 West 190 Street
New York 33, N.Y.

8/28/1947

Re: Restitution Law

It has become known that the question of the Successor-Organization to the unclaimed Jewish property has deadlocked the 4 power agreement on the proposed restitution law. The suggestion to change the inheritance clauses in the draft-law may, therefore, come at the right moment.

Such change is not only apt to alleviate those difficulties to a substantial extent. Beyond that it is, in itself, a necessity to prevent a flagrant injustice and unfairness to close relatives of victims of Nazism.

The unclaimed property fund is, under the draft-law, tremendously extended and enlarged by attributing to it all estates for which no distributee or relative within the "I. or II. Ordnung" (i.e. no descendants nor brother and sister) can be found. If this limitation will be dropped and the ordinary rules of intestate succession and distribution will be allowed to apply, some next of kin will be found for most private property. Consequently the size of the fund under dispute will be so substantially diminished that a compromise may be much easier.

On the other hand it seems to violate the natural laws of humanity and even our Constitution to deprive more or less close relatives of their rights to succeed into the family property. So near relatives as uncle and cousin are under the German Law in the "III Ordnung" of "Verwandschaft". Should the present exclusion prevail the following would occur: For instance if a family with an infant had been deported and the child had died only one day after the father then the surviving brother or sister of the father would not get a penny of the entire estate of his or her brother. In another case, a wealthy grandmother, her son or daughter and grandchildren have been sent to Theresienstadt, ^{grand-}one child survives the ancestor but dies shortly thereafter. The brother and sister of the real owner of the property, the grandmother, and their descendants being relatives of the "IV Ordnung" would be excluded from the estate that may have originated in the common ancestor. I do not think that any justly thinking legislator in the Western Hemisphere would and could defend such a proposition. It smells too heavily of the anti-inheritance theory of certain undemocratic political systems.

Abolishment of any limitation of intestate succession in the restitution law - at least the admission to succession of the "Erben der III. & IV. Ordnung" - is the command of justice and the solution of the deadlock.

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By <u>CR</u> NARA Date <u>7/13/00</u>

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DEPARTMENT OF STATE
WASHINGTON



POLITICAL DIVISION

FEB 24 1947

FEB 24 1947

February 17, 1947

AIR MAIL
Unclassified

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No. 5064

To the

United States Political Adviser on German Affairs,
Berlin.

The Secretary of State encloses two copies of a
general information sheet, with attachments, regarding
American property interests in Germany which has been
prepared in the Department and is now being furnished
to inquirers.

The Department would welcome receiving any
comments on the information sheet which the Political
Adviser might offer, more particularly as to changes
or additions that might be made when the information
sheet is revised.

Enclosure:

Two copies of general
information sheet, with
attachments.

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By LR NARA Date 7/13/00

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GENERAL INFORMATION SHEET CONCERNING THE
PROTECTION OF AMERICAN PROPERTY IN GERMANY

Restitution of Property and War Losses.

The Department of State is not yet in a position to indicate what procedures will be adopted to deal with either (1) the establishment of rights asserted to property in Germany of which the former owners or their heirs were deprived during the Nazi regime by forced sale or otherwise, or (2) losses resulting from war damage in Germany. It may become necessary for the interested parties to take action on their own behalf before the appropriate authorities in Germany or elsewhere when the necessary procedures have been established. Due publicity will be given in the press to any such measures as are adopted.

Investigating Status of Property and Informing Authorities of American Interest.

The Department is now endeavoring, when so requested, to assist American owners of property in Germany to the extent of directing its representatives in that country to make an investigation of the status of the property involved and to inform the appropriate authorities of the American interest therein. There is attached a leaflet containing the points that should be covered in furnishing the Department with necessary information, and indicating the form to be followed in submitting the information, in order that an investigation of the property may be made. Besides the information called for, there should be submitted a certified copy of a birth certificate in cases of native-born American citizens; in instances of naturalized American citizens, the property owner should request the Immigration and Naturalization Service, Department of Justice, Franklin Trust Building, Philadelphia 2, Pennsylvania, to send directly to the Department of State confirmation of naturalization. In the latter case, the Immigration and Naturalization Service should be supplied with the full name of the naturalized person, the name of court in which naturalized, and the date and number of the naturalization certificate.

It is to be stressed that this service can be rendered only to American nationals and American concerns. The mere fact that a property owner is a resident of the United States and has taken out his first papers for naturalization is not sufficient to enable the Department to take action.

Recently-acquired American Citizenship.

The Department has been receiving many requests for assistance by American citizens who have been naturalized in the last several years and subsequent to the time when they were deprived of property in Germany or suffered damage to their property. While the Department has been rendering the service mentioned under the preceding heading, it should be stressed that according to international law and practice, a government of a country is unable effectively to espouse claims on behalf of its nationals who were not nationals of such country at the time the claim arose.

Claims.

The Department is not as yet encouraging the filing of formal claims with respect to property losses in Germany. However, in cases in which claimants desire to file such claims for possible future consideration the Department will, upon request, furnish suggestions for preparing claims.

Control of Property by Military Authorities.

All property in Germany owned or controlled in whole or in part by persons outside Germany, as well as that property which is subject to eventual restitution proceedings, namely, property which has been the subject of forced sale or transfer, is placed under the protective custody of the Military authorities, and can not be sold, transferred or otherwise dealt in without a special license from those authorities. When the procedures shall have been established for the restitution of property which has been the subject of forced sale or transfer, publicity will undoubtedly be given thereto.

The requisitioning of property for the needs of the occupation forces and the levying of taxes are matters wholly under the jurisdiction of the Military authorities and the Land Governments. The costs of billeting and housing the occupation forces are borne by the German economy, and it cannot be expected that foreign exchange will be made available to persons outside of Germany whose property is so requisitioned. In such cases, rents are paid by the Land Governments into a blocked account in the name of the absentee owner.

Communications regarding the requisitioning and custodianship of property in Germany by the Military authorities should be addressed to the Finance Division, Property Control Branch, Military Government for Germany (U.S.), APO 742, care of Postmaster, New York, New York.

Transfer of

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Transfer of Funds or other Property out of Germany.

Germany still falls within the purview of Executive Order 8389, as amended, and more particularly the Treasury Department's General Ruling NO. 11. Accordingly, unless a special license therefor is issued by the Secretary of the Treasury it is not possible for persons in the United States to conduct business transactions within Germany or to transfer funds or other types of property from Germany to the United States or other countries at the present time. A special license for such transfers must also be issued by the Military Government authorities in Germany. It is the Department's understanding that such licenses are being issued only in exceptional cases. Moreover, in view of the present disruption of Germany's national economy and the heavy demands which will be made upon that country for reparations and other payments it may not be possible to effect the transfer of funds out of Germany for an indefinite period of time.

**Claims against Private Individuals and Institutions,
Including Insurance Companies.**

The Department is not in a position to take action with respect to this type of claim, the enforcement of which, under normal circumstances, would require resort to the usual measures available for adjustment of claims against private individuals and institutions. It is not possible at this time to state when the resort to these procedures may again become practicable.

Pension Claims Against the German Government.

It is the Department's understanding that the question of pension claims against the German Government is being considered by the Allied Control Authority and that no conclusion has as yet been reached as to whether such claims will be recognized as valid.

Bank Deposits and Securities.

A leaflet is attached regarding bank deposits and securities in Germany.

Estates.

A leaflet is attached regarding estates in Germany.

Mortgages.

A leaflet is attached regarding American-held mortgages on property in Germany.

Correspondence with Persons in Germany.

It is now possible to correspond directly with persons in Germany on informational matters, but restrictions on transactional matters are still in force. The existing restrictions are outlined in the attached press release No. S-197, issued by the Treasury Department, dated January 2, 1947.

Powers of Attorney.

Attached also is a leaflet dealing with the sending of powers of attorney to Germany for property purposes. As will be noted in the press release No. S-197, it is necessary to obtain a license from the Treasury Department in order to send a power of attorney to Germany.

Department of State

February 4, 1947.

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In reply refer to

In response to inquiries concerning the protection of property located in foreign countries, the Department is suggesting that American citizens furnish a sworn statement, in quadruplicate, containing all pertinent information, including the following:

- (1) A precise description of the property, its exact location, and means of identification, and the name and address of any attorney or other person who might be of assistance in locating and identifying the property.
- (2) The value of such property and the amount of any mortgage or other encumbrance thereon.
- (3) A brief statement explaining how, when, and from whom such property was acquired, and if by purchase, the price paid.
- (4) In case the property has been rented, the name, nationality and address of the person or institution by whom rentals have been or are being collected.
- (5) The name and nationality of the present occupant or person in possession of the property, if known.
- (6) All available information as to any seizure or involuntary transfer of the property.
- (7) The names, nationality and addresses of the persons claiming ownership of the property, and when, where and how American citizenship was acquired. If citizenship was acquired by naturalization since June 29, 1906, the Immigration and Naturalization Service of the Department of Justice, Philadelphia, Pennsylvania, should be furnished with the name of the naturalized person, the name of the court in which naturalized, the date of naturalization and the number of the naturalization certificate, and requested to furnish information concerning the naturalization to this Department to be associated with its file number indicated above.

Separate sworn statements should be sent for properties located in different countries. It is not necessary at this time to submit original supporting documents, but copies should be submitted. Any document in a foreign language should be accompanied by an English translation.

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Office of Military Government for Germany (US)
 Property Division
 APO 742
 Berlin, Germany

22 June 1948

MEMORANDUM TO GENERAL CLAY

SUBJECT: Analysis of Properties under Control, Residual Duties of Property Control and External Assets Branch, and Recommendations for Final Distribution of Properties and Liquidation of the Branch

INTRODUCTION

The following study has as its objective the complete liquidation before 1 July 1949 of the Property Control and External Assets Branch, Property Division, COMUS. To accomplish this result it will be necessary in some instances to change present policy. The status of each group of property now under control is reviewed and recommendations given for ultimate disposition. Functions of the Branch are also reviewed and a method of divestment proposed.

I. PROPERTIES OWNED BY PERSONS OUTSIDE GERMANY (UNITED NATIONS AND NEUTRALS, ETC.)

A. Statistical Review

Date	Properties under Control		Properties Taken under Control during Month		Properties Released from Control during Month		
	Number of RM	Value in Millions	Number of RM	Value in Millions	Number of RM	Value in Millions	
1 Jan 48	13,842	2.193					
31 Jan	14,040	2.120	343	8	127	65	
29 Feb	14,406	2.637	478	13	103	65	
31 Mar	14,394	1.850	304	13	236	114	
30 Apr	14,536	1.691	354	7	147	159	
31 May	14,530	1.678	280	5	229	20	
			Total	1759	46	666	423

*Above table shows actual status of properties in this class. Misleading accounting adjustments have been omitted, therefore said schedule cannot be balanced from month to month.

B. Analysis of Statistics

It is to be noted that while the number of units taken into control by the German Property Control authorities has increased, the estimated value of property remaining under control has decreased approximately 20%. The number of owners taking advantage of the decontrol program has been small. However, the size of the units decontrolled has been considerable. The reason such properties continue to be taken under control at this late date is due primarily to specific requests from owners and in some instances automatic action by the German Property Control authorities where valuable properties are discovered.

C. Method of Removal from Control

In June and September 1947, a complete procedure for decontrol of such properties and for their operation by nominees of the owners was announced.

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 By [initials] NAPA Date 7/13/00

E. Recommended Action

It is recommended that liquid assets ordinarily used in connection with the operation of the property, (other than central funds) be turned over to the recipient organizations along with the properties but that the central funds remain blocked under Military Government Law No. 52 where they would be subject to the jurisdiction of the Finance Adviser. Any properties not accepted on these terms within three months of the promulgation of this change by the successor or recipient organizations would then be transferred pursuant to the terms of Control Council Directive No. 50 to the various Länder or Province governments. The staff study referred to contains these principals.

V. GERMEN PROPERTY

A. Statistical Review *

Date	Properties under Control		Properties Taken under Control during Month		Properties Released from Control during Month	
	Number of RM	Value in Millions	Number of RM	Value in Millions	Number of RM	Value in Millions
1 Jan 48	23,242	1.115				
31 Jan	23,796	1.128	590	12.687	312	1.396
29 Feb	25,206	1.151	1,601	29.776	88	1.605
31 Mar	26,265	1.213	1,331	21.704	239	11.720
30 Apr	26,381	1.381	680	18.517	509	1.623
31 May	27,721	1.234	1,782	21.633	281	2.240
	Total		6,290	104.577	1,429	18.792

Above table shows actual status of properties in this class. Misleading accounting adjustments have been omitted, therefore said schedule cannot be balanced from month to month.

B. Analysis of Statistics

The steady increase of this type of property under control indicated above is to be expected in view of the fact that the deadline for filing claims for restitution does not expire until 31 December 1948.

C. Method of Removal from Control.

Amicable settlement or adjudication by restitution authorities pursuant to Military Government Law No. 59 which was issued 10 November 1947 and which provides for the filing of claims for restitution of this property.

D. Reasons for Delay in Implementation of the Program

1. Slowness with which claims are being filed.

2. In addition, it has taken time to set up the restitution agencies under the German Land governments. All twenty have now been set up and are functioning. Accelerated progress in the processing of cases under the law can now be expected.

3. General License No. 10 under Military Government Law No. 52, which authorizes amicable settlements of filed claims, has not been utilized to its fullest extent by claimants and opposite parties.

E. Remedial Action Taken to Date

Continued publicity through the press has been maintained and letters to consulates and military missions have been sent to keep facts

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 By [Signature] NARA Date 7/13/00

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concerning the restitution program before the public.

F. Present Activity in Implementation of the Program

The constitution and staffing of the Restitution Chambers of the Landgericht and the Board of Review, the appointment of the Successor Organization for Jewish Property, and the issuance and approval of all necessary implementing regulations by the German governmental authorities either have been very recently accomplished or are presently being prepared for final promulgation.

G. Recommendations

No change in present plans or procedures is necessary to accelerate the closing out of the Internal Restitution Program. In Article VIII below, it is suggested how residual Military Government authority in this field is to be closed out on 1 July 1949.

VI. I. G. FARBEN PROPERTIES

As of 31 May 1948 there were 69 I. G. Farben properties under control, valued at RM 350,000,000. This compares with 128 units valued at RM 680,000,000 as of 1 January 1948. Twenty-seven additional properties in this category are now in the process of being transferred to the I. G. Farben Control Office. The remaining forty-two units are all enterprises in which the Reich owned large interests. It is recommended that these properties, in which the Reich has an interest, be treated the same as other Reich-owned industrial properties, and that upon transfer a financial adjustment be made by way of reimbursement to the I. G. Farben Control Office.

VII. EXTERNAL RESTITUTION

As of 31 May 1948, there were 1431 units valued at RM 25,000,000 in this category. The rapidity with which these properties can be disposed of depends entirely upon the speed with which these properties can be removed to the recipient country under the OIGUS program of external restitution as managed by the Reparations and Restitution Branch of the Property Division. It is estimated that this program will be completed by 1 January 1949.

VIII. DISPOSITION OF RESIDUAL PROPERTY CONTROL DUTIES

Although all remaining Military Government duties in connection with the custody and administration of property were turned over to German Government Property Control authorities on 1 April 1948 (the major portion of these duties were transferred in June 1948), certain residual duties remain the responsibility of the Property Control and External Assets Branch, Property Division, OIGUS. They are:

- a. Supervise the 240-odd German property control agencies and the various Military Government Land property Control offices;
- b. Supervise the administration of the internal restitution program under Military Government Law No. 59;
- c. Operate the Central Filing Agency set up under Military Government Law No. 59;
- d. Supervise the program announced on 1 June 1948 providing for the export of household and personal effects. Under this program the Land property control chiefs are the licensing authorities;
- e. Administer the External Assets program of Military Government;

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 By CR NARA Date 7/13/00

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f. Operate the U.S. Census Section for taking the financial census under Military Government Law No. 59;

g. Process correspondence pertaining to United Nations and Neutral nationals' properties under control as well as duress properties. Such correspondence is at the rate of approximately 1500 inquiries per month.

h. Implement OMBUS directives and regulations insofar as new problems arise and interpret policies, directives and regulations of Military Government.

RECOMMENDATIONS

a. It is recommended that before 1 January 1949 a Central German Property Control Coordinating Committee be formed, consisting of the Land Civilian Agency Heads of the four Länder in the U.S. Zone of Occupation. It would be their responsibility to meet at certain regular intervals, coordinate policies and make recommendations to Military Government. When the property control matters in the British Zone reach a point which parallels ours, this Committee should be expanded to include similar German property control authorities from the British Zone. The Central German Property Control Coordinating Committee would have a small permanent staff, in order to perform the duties transferred to the Central German Property Control Coordinating Committee. From 1 January 1949 until 1 July 1949, it would work parallel to, and with the cooperation of, the Property Control and External Assets Branch of the Property Division, OMBUS. On 1 July 1949, the following duties, now performed by Property Control and External Assets Branch, would be transferred in full:

1. General supervision of the 240-odd German property control agencies; by that time, many of these offices could be liquidated or consolidated, in view of the greatly reduced number of properties under control.

2. Supervise the program of exporting household and personal effects, with the Land Civilian Agency Heads licensing the licensing authorities instead of the Land Property Control Chief.

3. The Central Filing Agency would be under the general supervision of the Central German Property Control Coordinating Committee. In view of the 31 December 1948 deadline for filing petitions, it is estimated that most of the work of referring the petitions to the appropriate restitution agencies will have been completed. However, as long as litigation under Military Government Law No. 59 continues, it will be necessary to have a staff at the Central Filing Agency to protect these valuable files and to answer inquiries pertaining thereto, as well as to maintain statistics pertaining to the flow of cases through the courts and the disposition thereof. In addition, when a general claims law is promulgated in the U.S. Zone, the existing Central Filing Agency will be of tremendous use as a filing agency for that law.

b. It is recommended that all Property Control Military Government offices at Land level be abolished as of 1 July 1949.

c. It is estimated that the External Assets Program, so far as administered by the Property Control and External Assets Branch, will be substantially completed by 31 December 1948, final date which has been set for receiving requests for investigations from IARA and the embassies; the cleaning up and any remaining investigations after that date can be completed with a small staff by 1 July 1949. The work of the U.S. Census Section will be substantially completed by 1 October 1948, and will be completely liquidated by 31 December 1948.

d. It is recommended that the Property Control and External Assets Branch, Property Division, OMBUS, be completely liquidated by 1 July 1949, and that the remaining property control functions of Military Government be made a responsibility of one of General Clay's advisors.

PHILLIPS BARRING

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Authority: 1115765003
By: LM NARA Date: 7/13/00

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Copy for Frankfurt

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AIRGRAM

RESTRICTED

FROM: US Political Adviser
for Germany, Berlin
NO.: A-555
DATED: July 14, 1948 *WBC*
MAILED: JULY 15, 1948 *HCP*
REC'D: *R*

Secretary of State,
Washington.
A-555, July 14, 1948.

With regard to the request of the French Embassy in Washington as outlined in deptel 861 of May 17, 1948 for the three volumes of inventories of art objects looted by Germans in France during the war, the following information has been furnished by the Foreign Office/State Department Documents Unit in Berlin.

"Upon our request the 7771 Document Center made photostatic copies of the following inventories of art looted by Germans in France."

"1. Verzeichnis der durch die Deutsche Botschaft sichergestellten Bilder und Kunstgegenstaende. Paris Embassy. No. 72.

"2. Juedischer Kunstbesitz, seine Sicherstellung. Paris Embassy. No. 62. Sonderband.

"3. Nine photostats included in folder 62.

"On 8 March 1948 photostatic copies of the above were delivered by FO/SD to Mr. L. K. Horn, MFAA, and to Cdt. Rene Graff, Service d'Exploitation des Archives, GPEC. The photostats given to Cdt. Graff were transmitted by him to Mlle Valland, Chief, Section Beaux Arts, Education Branch; therefore, the interested French office is already in possession of the inventories."

MURPHY

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By <u>BKR</u> NARA Date <u>7/14</u>



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

*NO. Per [unclear]
action necessary
[unclear]*

RESTRICTED

File Room Copy

The American Legation at Vienna presents its compliments to the Office of the Political Adviser at Berlin and has the honor to transmit, at the Department's request, copies of the Legation's airmgrams No. A-156 of March 3, 1949, and A-426 of June 10, 1949, concerning the status of property in Austria alienated by the Germans from Jewish persecutee owners still resident in Germany. The case at issue is that of Freundlich Brothers of Munich.

Vienna, June 10, 1949

Enclosures:

- 1. Legation airmgram A-156, March 3, 1949
- 2. Legation airmgram A-426, June 10, 1949

cc: CA
AM Consulate General, Munich

Office of the Political Adviser,
Berlin.

321.3 - Freundlich Brothers, Property of:

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Authority 1115765003
By [initials] NAPA Date 7/13/00

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Enclosure No. 1

AIRGRAM

FROM: American Legation
Vienna, Austria
DATE: March 3, 1949
MAILED: March 3, 1949
REC'D:

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Secretary of State,
Washington.

A-156, March 3, 1949.

Reference Department's A-271, dated October 28,
1948.

The cases referred to involve two classes of property
as follows:

- a. German Jewish owned movables seized in Germany
and transferred to Austria.
- b. German Jewish owned immovables located in Austria
and seized in Austria.

Regarding a. -, the movable property seized in
Germany and transferred to Austria, - the German Jewish
owner's could not seek the return of this property under
the Austrian Restitution Laws. The Third Austrian
Restitution Law (Law No. 54 of 6 February 1947) deals
with this type of property. Para 1 Subpara 1 of that
Law provides as follows:

"This law shall deal with property of which the
owner (person entitled) hereinafter referred to as
the owner, was dispossessed during the period of
the German occupation of Austria in connection
with the National Socialist accession to power;
it shall make no difference whether such dis-
possession was effected arbitrarily, or by virtue
of laws or other provisions, or, in particular, by
means of legal dispositions or other legal acts."

Since the seizure of subject movable property
occurred in Germany, these claimants are excluded from
the benefit of the Austrian Restitution Laws.

On the other hand, it is possible that the German
Jewish claimants could seek the recovery of the movable
property under the provisions of Para 366 of the Austrian
Civil Code. To do so they would need to locate this

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property

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property and describe it in such a way that it could be definitely identified and also identify the present private possessors of the property.

Regarding b. -, the immovable property seized in Austria, - subject claimants would be entitled to attempt to seek the return of this property under the Third Austrian Restitution Law since the seizure occurred in Austria during the Nazi occupation thereof.

At the present time there is no agreed definition of what constitutes a German External Asset in Austria appropriate for reparations although there is indication that the property of German persecutees located in Austria will not be defined, under the terms of the Austrian State Treaty, as "appropriate for reparations." It follows then that all German property in Austria falling within this category must be treated as "possibly appropriate for reparations" until such a time as there is a Treaty or other Allied definition of that term.

Under these circumstances, the RD&R Division, of the USACA Section, Headquarters, USFA, has been forced to adopt the following interim policy:

All property in Austria owned by Germans of any category on 8 May 1945 must be held for such disposition as may be directed by the Austrian State Treaty or other Allied Agreements.

In the event that subject claimants established in Austrian Courts the right to the return of either their movable or immovable property in Austria, it would immediately become German External Assets in Austria to be held as "possibly appropriate for reparations."

It is realized this class of cases present hardships which should be alleviated through equitable relief. Under present policy and directives only the fact of German ownership may be used as a guide for action. It is felt here that the procurement of any relief, so obviously appropriate, is, as emphasized above, solely dependent upon the provisions of an Austrian State Treaty or other Allied Agreement.

ERHARDT

RESTRICTED

RG	84
Entry	2531 B
File	321.30
Box	269

342007

DECLASSIFIED
Authority <u>11176503</u>
By <u>CR</u> NARA Date <u>7/13/00</u>

F. A. Lane.

As this appears to be a policy matter, file is referred herewith to you.

Jlh.

(OMGUS 9-315 L Jan 49 1GM Rep)

FOREIGN

TO THE

REPRE-
FOLLOWING

May 16, 1949

WIC

of May 3, 1949, and

ly noted.

of the letter to the

erman Affairs at Berlin.

ster:

Is E. Flaherty
stant Chief
Protective Services

321.30 Seaman, Joseph S.

WHEN A REPLY TO THE DEPARTMENT IS INDICATED PLEASE REFER TO THE FILE NUMBER AND THE DRAFTING OFFICE

FILE No.
DS

SIGNATURE *Hawley L. Smith*
Hawley L. Smith

DIVISION of Protective Services

UNCLASSIFIED

Mr. Joseph S. Seaman,

17 Thompson Street,

New York 13, New York.

WIC

relationship papers No: 6560289.)

Central officials in the West...
since January 1949...
when the Property Division goes out of existence on 30 June.

WIC

DEPARTMENT OF JUSTICE

DECLASSIFIED
Authority *1115765003*
By *W* NARA Date *7/13/00*

RG *84*
Entry *2531 B*
File *321.30*
Box *269*

342008

In reply refer to DS

May 16, 1949

W

My dear Mr. Seaman:

The Department has received your letter of May 3, 1949, and the comments contained therein have been duly noted.

The Department has forwarded the copy of the letter to the Acting United States Political Adviser on German Affairs at Berlin.

Sincerely yours,

For the Secretary of State:

Francis E. Flaherty
Assistant Chief
Division of Protective Services

Mr. Joseph S. Seaman,
17 Thompson Street,
New York 13, New York.

321.30 Seaman, Joseph S.

W

(U.S. Citizenship Papers No: 6580289.)

W
The Department has received your letter of May 3, 1949, and the comments contained therein have been duly noted. The Department has forwarded the copy of the letter to the Acting United States Political Adviser on German Affairs at Berlin.

U.S. DEPARTMENT OF STATE

DECLASSIFIED
Authority 1111765003
By CP NARA Date 7/13/00

RG 84
Entry 2531 B
File 321.30
Box 269

342009

May 3, 1949.

Department of State,
Washington, D. C.

*Reply June 2-49
WAK-65*

Attn: Mr. Monroe H. Karosik,
Chief, "Finance and Property".

Sir:

I have just learned, to my very great disappointment, that the Property Control of the Military Government, Krelingstrasse, Nuremberg, Germany, is expected to be dissolved about the end of June 1949.

As this Control has been there since V-D Day and handled all the North-Bavarian restitution cases, a dissolution would create a very serious disadvantage for all absentee owners of property, as this authority only is effectively able to safeguard the interest of all parties involved.

It is definitely a great danger, and the restitution will suffer considerably, should the present German restitution offices be left alone, without supervision by any Allied Military Government office.

Under the circumstances, it is most urgent to retain at least a skeleton staff of the Military Government Property Control, in order to watch the restitution procedures of the corresponding German offices, as I feel, it seems to be obvious, that the German authorities will not handle these matters impartially.

I would therefore be most obliged to you, if you could give this matter your immediate and effective attention, it being very important to all former owners of German property, as in my particular case.

I take the liberty of enclosing a copy of this letter, for the attention of Mr. Murphy.

Thanking you, I remain,

Respectfully yours

Joseph S. Seaman
Joseph S. Seaman.

(U. S. Citizenship Papers No: 6580289.)

CONFIDENTIAL

WAK

DECLASSIFIED
Authority *11176003*
By *W* NARA Date *7/13/00*

RG 84
Entry 2531B
File 321.30
Box 269

342010

File

Berlin, June 23, 1949.

No. 777

UNCLASSIFIED

subject: Letter to Mr. Joseph S. Seaman Concerning
the Dissolution of the Property Division,
Office of Military Government (U.S.).

The Office of the United States Political Adviser
for Germany has the honor to refer to a letter addressed
to the Department of State dated May 9, 1949, from
Mr. Joseph S. Seaman of 17 Thompson Street, New York 13,
New York, and to the Department's reply, 1118 Number 10,
dated May 15, 1949, sent to this Mission with the
Department's transmittal slip signed by Mr. Dudley A. Smith,
Division of Protective Services.

There is enclosed a letter to be forwarded to
Mr. Seaman if deemed appropriate by the Department, with
a copy for the Department's files.

Enclosure:

As stated above (in duplicate).
Original and copies to the Department
Copies to G-2 - Mr. Trivers
G-2 - Mr. Reinstein

321.30

WAKelroy/lms

WAK

UNCLASSIFIED

DECLASSIFIED
Authority 1115765003
By W NARA Date 7/13/00

RG	84
Entry	2531B
File	321.30
Box	269

342011

321.30 Seaman, Joseph S., Property of

File

Berlin, June 22, 1949.

Mr. Joseph S. Seaman,
17 Thompson Street,
New York 13, New York.

Sir:

Reference is made to your letter of May 3, 1949, addressed to the Department of State, concerning the termination of the property control functions of the Office of Military Government. A copy of your letter has been forwarded to this office.

The Property Division of the Office of Military Government announced on April 26, 1949, that supervision over the control of property still in Military Government custody would be transferred to a newly-created German agency in the American Zone of Germany on July 1, 1949, simultaneously with the dissolution of the Property Division. An effort is being made to afford an opportunity for all absentee owners of controlled property who are eligible to regain control of their property to do so before July 1. To that end absentee owners are being advised individually by the Property Division of the procedure for regaining control of their property. It is believed that you may have received such a communication; if not, and if you believe that you are eligible to regain control of your property, it is suggested that you so inform this office which will then make an investigation and endeavor to obtain any available appropriate information.

With reference to the third and fourth paragraphs of your letter, you are informed that the new German agency will be guided by Military Government policy and directives. A small staff will be retained by the Office of Military Government to assist the German agency.

/There is

The heads of these offices have since January 1949, in order to be fully prepared to assume responsibility when OMGUS Property Division goes out of existence on 30 June.

DECLASSIFIED
Authority <u>111765023</u>
By <u>CR</u> NARA Date <u>7/13/00</u>

RG	<u>84</u>
Entry	<u>2531 B</u>
File	<u>321.30</u>
Box	<u>269</u>

342012

There is enclosed a copy of an announcement by the Office of Military Government which will furnish further information.

Very truly yours,

James W. Gantenbein,
Chief, Economics Branch.

Enclosure:

The enclosure will be disseminated with the dissemination of the property control. As stated.

A copy of the Property Control and Internal Regulation... 321.30
WAKelsey/lms

WAK

Part of the... will have been... of the... which... of Military... of the... peak... have been... from... up...

The... bodies of property will remain for administration... the... and... of... which... in the U.S. Control... of... and which are... the subject of... Military Government Law... and... the... in property... are... of...

The other body... of... owned by... under the Law for... National... of... of... of such... are... and... and... for Military Government... and German legislation.

The... of the new German Property Control Agency... general supervision of all... for... to... Agencies, which are... of the... Agency... and... of the... with Military...

A... consisting of... late... of... in... answering... and... in... as a... by the German...

The German Land Civilian Property Control heads, responsible to their respective Minister Presidents, have been... since 1946 under direction of OMGUS Property Control. The heads of these offices have been understudying the U.S. Property Control officials in the Wiesbaden office of the Property Control Branch since January 1949, in order to be fully prepared to assume responsibility when OMGUS Property Division goes out of existence on 30 June.

DECLASSIFIED
Authority: 1115765003
By: [initials] NARA Date: 7/13/00

RG 84
Entry 2531 B
File 321.30
Box 269

342013

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U. S.)
Public Information Office
APO 742

(OMGUS - 4 - D - 84)
Berlin, Germany
Tel.: 43-606, 43-100
29 April 1949

FOR IMMEDIATE RELEASE.

Supervision over the control of property valued at nearly two billion Reichsmarks will be transferred from Military Government to a newly-created German agency in the U.S. Zone of Germany on 1 July, the Property Division of the Office of Military Government for Germany (U.S.) announced today.

The changeover will be simultaneous with the dissolution of the Property Division.

A Zonal German Property Control and Internal Restitution Co-ordinating Agency, composed of the top German Property Control authority in each of the four U.S. Laender, has been ordered to be set up to act as the successor to the present American Property Control organization.

Most of the work of Property Control will have been completed by Military Government when this German agency takes over. Around two-thirds of the 110,000 properties which were under control of Military Government at the time of the Property Division's peak load will have been removed from custody by 1 July.

Two principal bodies of property will remain for administration by the new agency. One body consists of properties which were taken under duress from their original owners in the U.S. Control Area of Germany during the National Socialist era and which are now the subject of restitution claims under Military Government Law 59 and consequently must remain in property control until the claims are disposed of (around 30,000 properties).

The other body consists of properties owned by persons charged as major Nazis under the Law for Liberation from National Socialism. In the event of conviction of such persons these properties are subject to confiscation and subsequent disposition under Military Government and German legislation.

The functions of the new German Property Control Agency will include general supervision of all Land German Property Control Agencies in the U.S. Zone, assistance to Restitution Agencies, which are generally under jurisdiction of the Land Civilian Agency Heads, and administration of the properties under control, in accordance with Military Government policy and directives.

A small staff, consisting of approximately 10 to 20 persons, will assist the Agency in answering correspondence concerning properties and making reports to OMGUS. Stuttgart has been mentioned as a choice for headquarters, to be selected by the German authorities.

The German Land Civilian Property Control heads, responsible to their respective Minister Presidents, have been functioning in each of the U.S. Laender since 1946 under direction of OMGUS Property Control. The heads of these offices have been understudying the U.S. Property Control officials in the Wiesbaden office of the Property Control Branch since January 1949, in order to be fully prepared to assume responsibility when OMGUS Property Division goes out of existence on 30 June.

DISTRIBUTION "C"

DECLASSIFIED
Authority 1115765003
By W NARA Date 7/13/00

RG	<u>84</u>
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File	<u>321.30</u>
Box	<u>269</u>

342014

Berlin, July 8, 1949.

Berlin, Germany
FOI: 41-540, 4-100
20 July 1949

832
No. 8

UNCLASSIFIED

Subject: Dissolution of OMGUS Property Division; Reparations, External and Internal Restitution, External Assets, and Property Control.

The Division, headed by Mr. Phillips Humber of Madison, Wisconsin, Director, who is also Deputy Economic Adviser to the Military Government, and by Mr. E. J. Crossaday of Madison, Wisconsin, Deputy Director, was formed from various elements of the former Economic and Property Control Division in March 1949, and assumed full responsibility for the administration of reparations, external and internal restitution, external assets, and property control.

Referring to previous despatches and telegrams in regard to the dissolution of the OMGUS Property Division on June 30 last, the Acting Political Advisor to the United States High Commissioner for Germany has the honor to enclose copies of an OMGUS press release on this subject dated July 5, 1949.

The restitution program involved the location, identification and return of more than 2,000,000 items, involving a wide range of different types of goods, such as clothing, furniture, household items, and various types of machinery, such as the sewing machine, and a large number of paintings, more books, religious articles, and other items.

Enclosure: OMGUS Press Release 7-5-49, dated July 5, 1949.

It has been impossible in any such cases to assign any exact figure indicative of the real cultural heritage value of these properties.

**Original and Copy to the Department
Copies to GAF - Mr. Trivora
GAF - Mr. Reinstein
American Embassy, London
American Embassy, Paris**

In its report to the Economic and Financial Commission for Europe, the United States Mission to the EC countries stated that the total value of reparations, which at \$10,000,000, and consist of 2,000,000 items of industrial capital equipment from 1945 to 1948, were periodically made available in the U.S. Zone, approved and permitting operations, which at that point involved over 27,000 workers, were accomplished by experienced mechanics and displaced persons under the direct supervision of U.S. technical experts. Equipment ranged from American general purpose equipment (equipment particularly adapted to manufacturing of warlike equipment) in Hitler's aircraft factories to large shipbuilding works of Bremen. Soviet war property, including equipment, was destroyed under the provisions of the Law of Germany's Industrial Potential, unless they were transferred to manufacturing uses.

The Property Control and External Assets Section, under Mr. Ross L. Humber, Director, was reorganized and restructured on July 1, 1949, and is now known as the Property Control and External Assets Section. The value of assets in British pounds included broad based American and other foreign-owned interests which were under U.S. control for sale, leasing, as well as properties owned by the German people of their villages, and possession of the German State, and the German people and their property.

321.30

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DECLASSIFIED
Authority: 111765003
By: CR NARA Date: 7/13/00

RG 84
Entry 2531 B
File 321.30
Box 269

342015

321.30 Property Division, OMGUS, Dissolution of:

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

Public Information Office

APO 742

(OMGUS - 7 - D - 4)
 Berlin, Germany
 Tel.: 43-606, 43-100
 5 July 1949

FOR IMMEDIATE RELEASE.

Dissolution of the Property Division of the Office of Military Government for Germany (U.S.) became effective on 30 June, OMGUS announced today.

The Division, headed by Mr. Phillips Hawkins of Marion, Massachusetts, Director, who is also Deputy Economics Adviser to the Military Governor, and by Mr. E. J. Cassoday of Madison, Wisconsin, Deputy Director, was formed from various elements of the former Economics and Finance Divisions in March 1948, and charged with responsibility in the fields of Restitution, Reparations, Property Control and German External Assets.

The Reparations and Restitution Branch of the Division, until recently under the supervision of Mr. Orren R. McJunkins of Jacksonville, Florida, and later of Mr. Frederick G. Draper of Buffalo, N.Y., has virtually completed its tremendous task of restituting property looted from other countries by Nazi Germany.

The restitution program involved the location, identification and return of more than 2,000,000 items, having a value in excess of \$245,000,000. Claims for restitution covered a wide range of objects, varying from simple items, such as luggage containing clothing, to priceless art treasures found in huge lots, such as the Goering collection; and famous Rembrandt and Rubens paintings, rare books, religious objects and folklore.

It has been impossible in many such cases to assign any monetary figure indicative of the real cultural heritage value of these restituted properties. Of the more than 20,000 claims received under the External Restitution program, more than 42% have been satisfied, the items claimed having been located, identified and returned.

In its reparations activities, the Reparations and Restitution Branch effected shipment to the 21 countries entitled to reparation from Germany, of property valued at 210,000,000 Reichsmarks, and consisting of more than 229,000 tons of industrial capital equipment from 105 war plants and certain peacetime plants located in the U.S. Zone. Appraisal and dismantling operations, which at their peak employed over 17,000 workers, were accomplished by experienced Germans and displaced persons under the direct supervision of U.S. technical experts. Equipment ranged from precision general purpose equipment (i.e. not particularly adapted to manufacture of wartime equipment) in Hitler's aircraft factories to a large shipbuilding works at Bremen. Special war purpose buildings and equipment were destroyed under the provisions for liquidation of Germany's industrial war potential unless they were adaptable to peacetime uses.

The Property Control and External Assets Branch, under Mr. Fred E. Hartzsch of Greenwich, Connecticut, has controlled a total of more than 150,000 properties since 1945, which had a value of nearly 14 billion Reichsmark. These properties included those owned by American and other absentee-owned interests which were taken into control for safeguarding, as well as properties subject to restitution claims of Nazi victims, and properties of the German State, Nazi organizations and Party members.

DECLASSIFIED
 Authority 111765023
 By CR NARA Date 7/13/00

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342016

Although the gigantic task of property management has now been largely completed, there still remain under Military Government custody some 40,000 properties, most of which are held because they have been claimed for restitution by victims of Hitler Germany. These properties must be held in custody as duress property, pending the outcome of restitution claims. About 225,000 such claims have been filed in the U.S. Zone of Germany pursuant to Military Government legislation, administered by German agencies and courts and supervised by Military Government, by or on behalf of persons who were deprived of their property within Germany because of racial or political persecution.

All properties which still remained in Military Government custody on 30 June will, until released from control, be administered by a German agency at Munich which was formed recently at the direction of Military Government. The agency is made up of top German Property Control officials who worked with and were trained by Military Government property officials to assume residual Property Control duties under the supervision of a small group of U.S. personnel retained from the former Property Division.

Most of the foreign-owned properties which were under Military Government Property Control have been turned over to agents of the owners or are being placed in the hands of custodians in absentia appointed at the direction of Military Government and functioning under supervision of the German courts.

Documentation proving the existence of Germany's foreign assets exceeding \$75,000,000 in value was established by expert investigators of the External Assets Investigation Section, headed by Mr. Herbert Sorter of New York City. The existence of many other valuable assets, such as patents, licenses and other intangibles which cannot be accurately valued were likewise discovered or proved to be German owned. These foreign assets are in general subject to seizure as reparations by the country in which they are located.

The closing down of Military Government property activities, which at their height required a staff of U.S. and German personnel numbering thousands of persons, and the reduction of this organization to 25 American and 120 German employees for the entire U.S. Zone is in line with American occupation policy of continuing to reduce its operational and supervisory activities to a minimum, and of turning over all possible responsibilities to competent German agencies.

Residual Military Government property functions will be carried out by a small American staff composed of specialists in each field, who will be attached to the OMGUS office of the Economics Adviser in Berlin and known as the Property Group, which will be headed by Mr. Frank J. Miller of Buffalo, N.Y., who was formerly Special Assistant to the Director of Property Division, and Mr. William G. Daniels of Spokane, Washington, formerly Deputy Chief of the Property Control and External Assets Branch of Property Division.

The Property Group will maintain a Liaison Office for Reparations and Restitution at Frankfurt, headed by Mr. Clifton H. Day of Boston, Massachusetts, an office at OMGUS Base Headquarters at Bad Nauheim, headed by Mr. Werner M. Loewenthal of New York City, and a Central Filing Agency for Internal Restitution records at Friedberg, under the supervision of Mr. Bernard Fischbein of El Paso, Texas.

In addition, the new Group will maintain a small American staff, stationed in the American Zone, to supervise the administration of the U.S. Zone Restitution Law. Each Land Office of Military Government will maintain a Property Adviser serving principally in the capacity of a Consultant to the Land Director. It was pointed out that the U.S. Sector of Berlin will not be affected by the change, due to special circumstances existing there, and that, for the present, the Property Control Branch of Military Government will continue to function there.

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By LP NARA Date 7/13/00

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342017

Persons who have formerly communicated with the Property Control and External Assets Branch of OMGUS Property Division concerning their properties are advised by OMGUS to write in the future to the Hauptbuero fuer Vermoegenskontrolle und Wiedergutmachung in der U.S. Zone, 11 Thierschstr., Munich, Germany (the OMGUS-trained and sponsored German agency), or to the Land Civilian Agency Head (chief German Property Control official) of the German Laender in which their properties are located. The Land authorities may be addressed as follows:

Bavaria: Bayerisches Landesamt fuer Vermoegensverwaltung
Muenchen, Prinzregentenplatz 16

Hesse: Landesamt fuer Vermoegenskontrolle und Wiedergutmachung,
Wiesbaden, Biebricher Allee 142

Wuerttemberg-Baden: Finanzministerium, Verwaltung fuer gesperrte Vermoegen,
Stuttgart S, Heusteigstr. 46

Bremen: Oberfinanzpraesident im Lande Bremen, Amt fuer Vermoegenskontrolle,
Bremen, Haus des Reiches.

However, if agents have been appointed by absentee owners to represent their properties in the U.S. Area of Control of Germany, or if custodians in absentia have been designated by German courts at the direction of Military Government, the absentee owners are advised by OMGUS to communicate directly with the agents or custodians in matters affecting their properties. Matters which are not of a routine nature, or which may involve complaints requiring the attention of Military Government, may still be addressed to OMGUS, Office of the Economics Advisor, Property Group, APO 742, U.S. Army. Communications concerning Reparations or External Restitution should be addressed by missions concerned, to the Reparations and Restitution Liaison Office, Property Group, OMGUS, APO 757, U.S. Army, Frankfurt/Main.

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DECLASSIFIED
Authority 1115765003
By W NARA Date 7/13/00

RG 84
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342018

Encl. 2 to Dep. # 598

Date 5-12-49

OFFICE OF MILITARY GOVERNMENT FOR GERMANY
Public Information Office
APO 742

(OMGUS - 4 - D - 84)
Berlin, Germany
Tel.: 43-606, 43-100
29 April 1949

FOR IMMEDIATE RELEASE.

Supervision over the control of property valued at nearly two billion Reichsmarks will be transferred from Military Government to a newly-created German agency in the U.S. Zone of Germany on 1 July, the Property Division of the Office of Military Government for Germany (U.S.) announced today.

The changeover will be simultaneous with the dissolution of the Property Division.

A Zonal German Property Control and Internal Restitution Co-ordinating Agency, composed of the top German Property Control authority in each of the four U.S. Laender, has been ordered to be set up to act as the successor to the present American Property Control organization.

Most of the work of Property Control will have been completed by Military Government when this German agency takes over. Around two-thirds of the 110,000 properties which were under control of Military Government at the time of the Property Division's peak load will have been removed from custody by 1 July.

Two principal bodies of property will remain for administration by the new agency. One body consists of properties which were taken under duress from their original owners in the U.S. Control Area of Germany during the National Socialist era and which are now the subject of restitution claims under Military Government Law 59 and consequently must remain in property control until the claims are disposed of (around 30,000 properties).

The other body consists of properties owned by persons charged as major Nazis under the Law for Liberation from National Socialism. In the event of conviction of such persons these properties are subject to confiscation and subsequent disposition under Military Government and German legislation.

The functions of the new German Property Control Agency will include general supervision of all Land German Property Control Agencies in the U.S. Zone, assistance to Restitution Agencies, which are generally under jurisdiction of the Land Civilian Agency Heads, and administration of the properties under control, in accordance with Military Government policy and directives.

A small staff, consisting of approximately 10 to 20 persons, will assist the Agency in answering correspondence concerning properties and making reports to OMGUS. Stuttgart has been mentioned as a choice for headquarters, to be selected by the German authorities.

The German Land Civilian Property Control heads, responsible to their respective Minister Presidents, have been functioning in each of the U.S. Laender since 1946 under direction of OMGUS Property Control. The heads of these offices have been understudying the U.S. Property Control officials in the Wiesbaden office of the Property Control Branch since January 1949, in order to be fully prepared to assume responsibility when OMGUS Property Division goes out of existence on 30 June.

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Authority 1115765023
By PC NARA Date 7/13/00

RG 84
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Box 269

342019

(COPY)

5 April 1949

MEMORANDUM TO: General Clay
Military Governor

THRU: Chief of Staff

SUBJECT: Functions and T/O of Property Division after 1 July 49

1. As you will recall, the plan which you approved in June 1948 for the liquidation of Property Control in July 1949 contemplated that all the residual functions, except those which must be performed by American personnel, should at that time be transferred to a German group in the Zone, and that those functions which the Germans are not competent to execute should be assumed by a Property specialist attached to one of the CMGS Offices in Berlin. I have had in mind a similar plan with reference to the other functions of Property Division.

2. The purpose of the plan was to centralize the remaining functions at this level in order to reduce the necessary staff to a minimum, and to coordinate all questions of policy at this Headquarters, for uniformity.

3. Although Property Division has developed all its plans on this basis, and announced such plan to representatives of the Offices of the Directors of the Land Military Governments, it appears that in some instances our people, evidently with support from the Land Directors, have formulated ambitious plans for Property organizations after 1 July 1949, providing, in the case of Bavaria, for example, for ten or twelve Americans; whereas, in the plan I announced at a general meeting in Stuttgart on 18 February 1949, there would be retained only one American Property Adviser to each Land Director.

4. To eliminate the development of large Land property organizations, which would materially affect the effect of the liquidation of Property Division, and to centralize functions and policy on remaining property matters, I am recommending a small group as below outlined, to carry out necessary functions. Such a group can be controlled and reduced as quickly as conditions permit, much more easily than Land organizations.

5. The residual functions of Property Division, briefly stated, will consist of:

(a) the formulation of necessary policy relating to internal restitution (Law 59) and supervision of that program

(b) the formulation and implementation of property policy affecting Berlin Sector, which because of the peculiar problems existing here, cannot be resolved before 1 July

(c) answering of correspondence received from other than routine sources, such as inquiries from congressman. It may also be necessary, pending Washington's decision, to continue the task of investigating external assets, at least in a small number of important cases.

(d) observation

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DECLASSIFIED
 Authority 11176503
 By CR NARA Date 7/13/00

342020

(d) observation of the Central German Property Control Committee in its carrying out of its responsibilities.

(e) protection of United Nations interests insofar as they may be affected by maladministration of policies or new German legislation

(f) handling of any multipartite negotiations; and coordination with COMUS policy on property

(g) processing of "meritorious" external restitution claims; and

(h) disposal of Reparations shipments in the event the plants which we are withholding are released

6. To execute the foregoing functions, I recommend a permanent staff attached to the Office of the Economics Adviser and constituted as follows:

a. Berlin: 4 persons

1. Group Chief
2. Deputy Chief
3. Assistant, competent to draft legislation and implementing directives
4. American secretary

b. Zone: 8 persons

1. Chief, Central Filing Agency
2. Chief, Claims Supervision Team
- 3-5. Three Zonal Claims Supervisors located in Bad Nauheim
- 6-8. Three Claims Supervisors stationed in Laender but reporting to Berlin (If it is felt that they need not exercise this degree of supervision over the administration of Law 59, the Laender Property advisers could serve this purpose.)

c. In addition, I recommend that for a period of three to six months from 1 July 1949, to aid the Group Chief and Deputy until it is clear that the workload can be carried by two men, one person be attached to the Berlin office for each of the following fields:

1. Internal Restitution
2. External Restitution
3. Reparations
4. United Nations Properties
5. Accounting

The total staff would thus number seventeen persons, of which eight would be in the Zone and five would be temporary Berlin personnel.

7. As to the five temporary specialists, enumerated in paragraph six, it is felt that the immediate new problems raised by the turnover to the Germans of the Property Control functions affecting US and neutral cases, coupled with the completion of the various programs for Berlin, and the accounting problems arising from the turnover, might result in an overloading of the small permanent staff at the beginning, and that the temporary retention of one expert in each

field

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By CP NARA Date 7/13/00

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field will greatly ease the problems encountered in connection with the termination of Property Division and will eliminate questions of land organizations. It is planned to review the situation on 1 October, to determine the need of further retaining some or all of the specialists. It is expected that the accounting system can become a part of the regular Control Office reporting system as soon as it has been adapted to the new set-up.

8. As to the field organization of eight persons, likewise attached to the Economics Adviser, its main function will be supervision of the entire internal restitution program as administered by twenty Restitution Agencies, twelve Restitution Chambers and five Courts of Appeal (Civil Division). Over two hundred thousand claims have been filed, of which it is expected that eighty thousand will be active. A reporting system has been instituted which will enable eight men to exercise constant, suitable supervision over the German administration, and to detect bottlenecks and improper trends as they occur, as well as to facilitate steps to remedy serious defects. Supervision of individual cases will not be attempted.

9. The field staff would consist of the Chief, Central Filing Agency (until November 1949), the Chief of the Claims Supervision Team, both located at Bad Nauheim, and six claims supervisors, three of whom would work on a zone-wide basis for larger investigations, and three stationed in the laender, for smaller, on-the-spot investigations. These men would be on D5 from OMCUS and would answer directly to the Chief of the Claims Supervision Team in order to eliminate delays resulting from the use of usual command channels. In the event it should be desired to reduce the number of personnel engaged in this function at OMCUS level, the land supervision could be assigned to the Property Adviser to the Land Director.

10. Attached hereto is a diagram illustrating the proposed staff.

11. Your approval or comments on this plan would be appreciated.

PHILLIPS HAWKINS
Director

1 Incl: a/s

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