

## OFFICE CORRESPONDENCE

*Mr. Knoke*TO Mr. Davie  
FROM Harding CowanDATE December 15, 1947Tom G. Clark, Attorney General, as  
SUBJECT: Successor to the Alien Property  
Custodian, Petitioner, v. Uebersee  
Finanz-Korporation, A. G.

On December 8, 1947, the Supreme Court held, in a unanimous decision, that Uebersee, a corporation organized under the laws of Switzerland, is entitled to sue in the District Court to reclaim property which the Alien Property Custodian has vested, and that Uebersee is not to be relegated to a claim before the Court of Claims for a money judgment.

The importance of this decision to us is its effect upon the proposed plan of the Secretary of the Treasury and the Attorney General to have the custodian vest uncertified assets. In my opinion, the plan may now well be abandoned. The custodian would be faced with the prospect of reclamation suits by nationals of Switzerland and France, who are now reluctant to apply for certification under General License No. 95, not because they are enemies, but because of restrictions imposed on their property if disclosed to their own governments. Moreover, the right, now established, of a friendly alien to bring suit under Sec. 9(a) of the Trading with the enemy Act to reclaim his property, may be asserted within the period provided for by the relevant statute of limitations. In other words, the custodian will feel obliged to keep the vested property intact for some time, a time during which the foreign national may hope for a relaxation of the restrictive measures imposed by his government. The decision, in my opinion, gives a long breathing spell to those foreign nationals who hope to outstay the certification procedure.

*Harding Cowan.*

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Logist.

March 12, 1956

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Mr. Saul Kagan  
Jewish Restitution Successor Organization  
270 Madison Avenue  
New York 16, New York

Dear Saul:

I enclose herewith a copy of the memorandum prepared in the OAP with respect to our claims.

Werner and I had a most disheartening meeting with Myron, Schor and Blum. On the basis of Blum's statements, I have no reason to believe that the compilation contained in this memorandum is not correct. Schor and Myron suggested the withdrawal of all of the claims other than those covered by paragraphs 5 and 5 (a). In addition, they suggested that the remaining number of claims is small enough so that individual investigation is possible. They also raised a number of what I consider to be phony theoretical arguments against a bulk settlement. These will have to be discussed at some future date.

Sincerely yours,

Seymour J. Rubin

CC: Dr. Hevesi  
Dr. Robinson  
Mr. Hyman

Enclosure

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COPY

Paul V. Myron, Deputy Director  
Office of Alien Property

Arthur R. Schor  
Chief, Claims Section

March 6, 1956

JRSO Claims

The following is an analysis which covers 2,206 accounts, including almost all of the accounts over \$500, against which JRSO has filed claims.

1. 73 accounts against which there are direct conflicting claims - \$542,835.57.
2. 104 accounts against which there are indirect claims - \$348,834.52.
3. 949 accounts where there are known heirs of the vestees - \$2,955,177.19.
- 1790 — 4. 664 accounts where the vestee is alive - \$3,706,293.31.
5. 346 accounts where there is no information concerning vestee or heirs - \$780,012.00.
- 5a. 9 accounts where it appears JRSO may be successor - \$24,190.54.
6. 57 accounts where vestee is not Jewish - \$238,838.27.
7. 4 accounts where vestee is business enterprise - \$11,501.63.

The total amount in all of the above 2,206 accounts is \$8,607,629.03. This is more than 93 per cent of the total amount in the accounts which are being checked. Groups 5 and 5a, listed above, which consist of 355 accounts, appear to be the only categories against which JRSO may be successful in establishing succession. The total amount in groups 5 and 5a is less than 9 1/2 per cent of the total amount in all the accounts which have been checked thus far.

Based upon the above figures, it appears that the total amount in groups 5 and 5a will probably be in the neighborhood of \$865,000. Even if we accept the argument of JRSO that it is entitled to 50 per cent of the amount, it falls far short of the amount they are suggesting in the proposed legislation.

102-1111-55  
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JEWISH RESTITUTION SUCCESSOR ORGANIZATION  
270 Madison Avenue  
New York 16, N.Y.

October 5, 1955

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E.H.

MEMORANDUM

To: JRSO Executive Committee

From: Saul Kagan

RE: JRSO Claims under Public Law 626

I am enclosing herewith a report on the background and present status of the claims filed by the JRSO under P.L. 626. This report was prepared by Mr. Seymour J. Rubin, who acts as Washington counsel of the JRSO.

Saul Kagan

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Report to Executive Committee of Jewish Restitution Successor Organization

Re: Heirless Assets in the United States

Public Law 626 was passed in the closing days of the Second Session of the 83rd Congress. It culminated years of effort on the part of various Jewish organizations -- effort directed at enactment of legislation which would put heirless assets in the United States at the disposal of the Jewish Restitution Successor Organization, for the benefit of surviving persecutees. Although the law was enacted in July 1954, and signed by the President in August, the passage of the legislation itself was merely the first step in what is clearly to be the difficult program of obtaining these assets or their proceeds, and making them available for the intended relief purposes.

The bill -- now Section 32 (h) of the Trading With the Enemy Act, as amended -- provides for designation by the President of a successor organization, or organizations, to heirless or unclaimed property in the United States. This property is defined by reference to the persecutee-return provisions of the Trading With the Enemy Act -- that is, it is property which would be returned to a living persecutee or his heirs, were he alive or had he heirs to claim it. The designated successor organization has a number of obligations in regard to administration and use of the property or funds which it may receive -- accounting regularly, the obligation to return to persecutees who turn up within two years, etc. The 1954 series of amendments restrict use of the property to use for persecutees (a) in the United States and (b) who are needy, and they prohibit use of any of these funds for administrative expenses. The bill provides for a limitation of \$3 million to the amount which can be made available to a successor organization.

Immediately after enactment of the legislation, steps were taken directed at the Presidential designation of the JRSO as the successor organization under the bill. Theoretically, Public Law 626 allowed the possibility of designation of more than one successor organization. As a practical matter, however, there was never any interest in this matter of successorship to heirless assets on the part of organizations other than Jewish organizations. An application for designation as the appropriate successor organization to Jewish heirless assets (these being apparently all the heirless assets) was prepared, together with a variety of supporting documents ranging from the certificate of incorporation of the JRSO to a memorandum on the history and responsibilities of that organization. These documents were filed almost immediately upon enactment of the legislation and, in fact, were discussed with governmental officials before the legislation was actually signed by the President. Nevertheless, for a variety of reasons, designation of the JRSO was delayed until January 1955. At that time, an Executive Order was issued by the President designating the JRSO as an appropriate successor organization, and no other designations have been or are likely to be made.

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Even prior to designation of the JRSO, Messrs. Kagan and Rubin had had extensive discussions with the Office of Alien Property of the Department of Justice as to procedures for the filing of claims. In the very nature of the case, the JRSO cannot have adequate knowledge of the claims which may legitimately be filed. This is obviously because the persons who would have had knowledge have all disappeared. The JRSO is therefore faced with the necessity of devising procedures which would enable it to file at least tentative claims which could subsequently be investigated and substantiated.

The JRSO suggested a procedure to the OAP which involved the OAP compiling a list of all those vesting orders on its books as to which no claim for return had been made. Such a list would obviously include not only the names of persecutees whose assets were heirless but also the names of Germans or other enemy nationals who were in no sense persecutees. It was then proposed by the JRSO that it would go over these lists and try to identify those cases which were likely to represent heirless assets rather than enemy assets.

The OAP, however, rejected this procedure on the ground that it would place an undue administrative burden on that Office. The alternative procedure was thereupon worked out, under which the OAP turned over to the JRSO extensive lists of names. These names included all of those persons named in the vesting orders of the OAP. Although it was at first assumed by the OAP itself that these lists included only persons from whom property had been vested, it became evident upon examination that names of persons included in the vesting orders, such as custodians of property, were also included on the lists. The JRSO undertook to prepare lists of those persons who were apparently Jewish. These lists, which have been gone over a total of three times, were then submitted to the OAP, which, in turn, indicated on a copy of the lists those cases in which there was no conflicting claim for return of the property involved. The remaining names were taken to be prima facie cases of Jewish heirless property.

Although the above procedure was that generally followed, towards the end of the filing period it became impossible to submit the lists to the OAP for check, and claims were therefore filed without the preliminary OAP check to see if adverse title claims existed. As a result, the JRSO found it necessary to come to a general arrangement with the OAP, under which it agreed that in those cases in which the OAP made an adjudication of return to an individual, the JRSO claim could be considered automatically to be withdrawn. In these cases, the JRSO obviously has no claim, since there is a surviving claimant.

A variety of other problems arose during the period between January 1955, when the JRSO was designated by the President, and August 1955, the expiration of the one-year filing period contained in the statute. A considerable amount of consultation with the OAP on detailed matters of record was obviously necessary. The work in Washington rose to such a volume that it became apparent that a full-time representative of the JRSO there was required, and Mr. Werner M. Loewenthal, who had just completed an assignment as Restitution Officer with the Office of the United States High Commissioner in Germany, was appointed to this position on June 20, 1955. He has worked in close coordination with the undersigned, who has acted during the period as Washington counsel for the JRSO. Mr. Loewenthal has had a staff of from two to three clerk-typists working with him.

The volume of work in the Washington office is apparent from the fact that between July 1 and August 23, the filing deadline under Public Law 626, the Washington office filed 3,094 out of a total of over 8,000 JRSO claims which had been filed.

A great many of the claims filed by the Washington office arose in cases involving estates and trusts. In many of these situations, the check of the OAP lists had produced claims filed by the JRSO in the name of one or another of the persons named in the vesting order, but not in the name of the person who was the actual beneficiary of the estate or trust. It was necessary to file in the name of the latter person, and claims in this category formed a major portion of the claims filed directly by the Washington JRSO office.

During this period also, one of the many problems concerned the so-called "omnibus accounts" in the OAP. These are accounts in the United States, held in the names of Swiss, Dutch or French banks, where the names of the actual depositors in the accounts are not known. It is possible that a major part of these accounts represents the funds of persons who were enemy nationals. On the other hand, there exists a substantial possibility that some portion of these accounts may be the funds of persecutees who were seeking to avoid the foreign exchange restrictions of Germany. A letter describing this situation, and suggesting that JRSO be considered informally to have claimed such portion of these accounts as might be found later to belong to persecutees, was sent to the OAP, but the request was rejected.

Thereupon, some 325 vesting orders in this category were located by the Washington JRSO office and claims filed describing these orders in terms which make it possible to identify the property in some detail.

Another problem arose out of negotiations between the United States and the Netherlands with respect to return of so-called scheduled securities. These were securities held in the United States which presumptively had been

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looted. By agreement between the governments, these securities were to be returned to the Netherlands Government for distribution to the true original owners or their heirs. It is clear, however, that some portion of this property is heirless, and, in cooperation with the Department of State, the JRSO has filed a claim with respect to that portion of these securities identified by the Netherlands Government as heirless. This claim is in a sense protective, since it is possible that these securities will eventually go to the Jewish community of the Netherlands rather than to the JRSO.

Individual cases are on occasion of some particular interest. Such a one is that which involves a highly complicated proceeding in the OAP generally known as the von Clemm case. It has been suggested that a portion of the property involved in this case, several packets of diamonds, amounting to sums estimated to be more than \$200,000, may in fact be heirless Jewish property. These diamonds were brought into the United States in asserted violation of customs regulations and, aside from the problems involved in proving the heirless character of the property in a situation in which few or no facts are available to the JRSO, there is also the problem of the claim of the Customs Bureau that if the diamonds are not German property to be vested by the OAP, they are diamonds which were entered into the United States illegally and should therefore be forfeited to the Customs Bureau. Despite a considerable amount of work which has already been done on this case, much more detailed work remains to be done if a serious effort is to be made to obtain this property.

By August 23, 1955, something in excess of 8,000 claims of varying degrees of validity had been filed with the OAP.

Although considerable work on the problems to be described in this section has already been done, it seems appropriate to deal with these problems in this rather than the previous section of the report.

The JRSO problems, once the mass of claims has been filed, resolve themselves into two major categories. These concern the procedure for "cleaning up" the relatively undigested mass of claims which has been filed and putting these in some kind of workable shape; and secondly, working out a procedure for the processing of the claims and the recovery, as speedily as possible, of the proceeds of heirless property.

With respect to the first problem, that is cleaning up the claims, a considerable amount of work obviously has to be done and, in fact, is currently being done. Because of the method by which the claims were filed, the JRSO has on file a great many of what are obviously worthless claims which merely clutter up the records. The reason for this is inherent in the method which the JRSO was compelled to adopt in filing the claims and the materials made available to it for that purpose. As has been pointed out, for example, the list of names furnished by the OAP, which was the fundamental working document for the JRSO, contained names of custodians of property and of persons having some relation to that property,

even though they might not be the beneficial owners of that property. Thus, if property were held by one Israel Cohen, for the benefit of Joseph McCarthy, it is almost certain that a claim has been filed by the JRSO as successor to Israel Cohen, even though no property right of Cohen has in fact been vested. Such a claim should obviously be withdrawn.

Similarly, the JRSO succeeds to the rights only of those persons who are persecutees under Section 32 of the Trading With the Enemy Act and who would, if alive, themselves be eligible for return. Corporations are specifically excluded from such eligibility. Despite this, the JRSO has on file numerous corporate claims containing possibly Jewish names, and these will also have to be withdrawn.

For various reasons, it is important that this work be done expeditiously. In the first place, we have been able to work out with the OAP a short-form "notice of claim", upon which all of the JRSO claims have been filed and which is a rather unusual document in OAP history. Despite some difficulties, we have had a considerable amount of cooperation in this regard and with regard to the special docketing of JRSO claims, etc., from the OAP. This cooperation, and particularly the cooperation extended with respect to the filing of claims merely on the basis of information and belief implies the obligation to withdraw those claims which are clearly not well founded. Moreover, the withdrawal of such claims will give the JRSO -- and the OAP -- a more clear idea of how many claims, and in what amount, are actually involved.

Secondly, the JRSO is faced with the alternatives of processing the individual claims or of attempting to obtain a bulk settlement. It needs little demonstration to show that processing of even 2,000 or 3,000 claims would be an interminable and most difficult job. Addresses would have to be obtained out of the records of the OAP, which in many cases does not have such addresses. Work would have to be done in Germany to try to establish the persecutee status of the person involved. Evidence would have to be presented to the OAP, and in many cases a hearing would have to be held. All of this would be done at a time when it is quite likely that the OAP will be burdened by a large number of claims for return filed by non-persecutee German nationals, if the Administration proposal for returns of up to \$10,000 is adopted.

It has therefore seemed imperative that the JRSO look toward a bulk settlement rather than the individual processing of these thousands of claims. The OAP, however, has taken and does take the position that a bulk settlement is impossible under present legislation. It therefore becomes imperative to obtain a modification of the present legislation. Any such modification, it is believed, should not merely authorize a bulk settlement, but should facilitate the making of such a settlement.

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With these ends in view, Mr. Loewenthal and the writer have had numerous conferences with the OAP. Procedures have now been worked out under which the following steps will be taken:

(a) The clearly untenable claims of the JRSO will be withdrawn.

(b) A list will be compiled of all remaining claims of the JRSO.

(c) A supplementary list will be prepared of JRSO claims in cases in which there is an adverse title claim.

(d) The OAP will furnish figures as to the total amounts involved in categories (b) and (c) above.

In addition, the OAP has reserved the question of whether we will be able to get figures on the amounts involved in individual claims from the Office of the Comptroller. (In many cases, this information is contained on the JRSO docket which is being made available to us and which will, of course, be incorporated into our records.)

When the above information has been obtained, we propose to check a representative sample of the claims where sufficient information is available to make checking possible. (It has also been requested that the OAP furnish us with information as to names, addresses, etc.; again, a considerable amount of such information is available from the JRSO docket which has been opened up to us.) From this examination, we should be able to estimate how many of our claims are actually for heirless property. Applying that percentage to the total figures which we will previously have received, we should be able to come to some kind of reasonable estimate of the amounts which are involved in the JRSO claims, and which should therefore be the target figure for a bulk settlement.

Much of the above work is already in progress. In addition, the writer has had conferences with Mr. Harlan Wood, Chief Counsel of the Senate Judiciary Subcommittee on the Trading With the Enemy Act, and with Mr. Smithy of the Senate Legislative Counsel's Office. An amendment to S. 2227, the Administration bill dealing with partial return of enemy private assets, has been prepared and has been discussed with these gentlemen. Its principle -- that is the principle of a bulk settlement of JRSO claims -- seems to have met with their approval. Moreover, the OAP has apparently slowly come to the conclusion that a bulk settlement of these claims would be desirable. It may be added that the State Department has indicated its concurrence with the principle of a bulk settlement and will probably be willing to press the OAP on this point.

Assuming that the principle of a bulk settlement will be accepted and that it can be enacted at the next session of the Congress, in one form or another, the main question will be that of the amount of such a settlement. It is too early to tell what amount will be involved. Our efforts are presently directed towards establishing a sufficient body of data for estimates in support of a minimal bulk settlement figure, which we would like to introduce in the course of the efforts to obtain legislation authorizing a bulk settlement.

The further program therefore includes continued work on the processing of the claims, as above described, and continued work with respect to the legislative proposals and their acceptance both by the Administration and by the Congress. The problems dealt with up to now have been of great complexity and have taken an enormous amount of time. It is very likely that they will take even more time in the future, particularly if such matters as the von Clemm case should come to a head and if the proposals with respect to a bulk settlement should arrive at a point where intensive work will have to be done on both the estimates and the legislative aspects of the matter.

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Seymour J. Rubin

September 1955

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September 13, 1955

Mr. Saul Kagan  
Jewish Restitution Successor Organization  
270 Madison Avenue  
New York 16, New York

Dear Saul:

Sy and I met on September 9 with Messrs. Myron, Creighton and Schor to discuss the problem of estimating the value of JRSO claims.

Sy discussed the advantages of a bulk settlement for both the Government and JRSO, and emphasized the importance of an estimated value of JRSO claims for any settlement proposal. He met with no opposition in principle, and discussed our requirements on the basis of the schedule enclosed herewith, stating that JRSO was prepared to furnish the personnel to do all or part of the work, depending on the accessibility of OAP records.

We explained that the information not available from JRSO records was (a) whether an adverse claim had been filed, (b) whether the property claimed by JRSO was actually Jewish-owned, and (c) the value of the property claimed. It was our understanding that the information concerning adverse claims may be obtained from a docket maintained by Mrs. America's office, that the individual claim files may contain information concerning Jewish ownership, at least the address of the owner in Germany, and that the value of the property claimed by JRSO could be obtained from records in the Comptroller's Office.

In substance, the position of OAP and the resulting tentative agreement are as follows:

OAP is prepared to give us access to the docket maintained by Mrs. America's office as far as it relates to JRSO claims. This means, in effect, that we are authorized to compile the information required under items 1-5 of the enclosed schedule from a docket which is maintained

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exclusively for JRSO claims and which contains a cross-reference to a general docket, in case an adverse claim has been filed. We are not authorized to examine the general docket for any indication as to the identity of the adverse claimant or the validity of adverse claims.

Although Sy pressed very hard for information on values on a case-by-case basis, as contemplated under item 6 of the enclosed schedule, OAP agreed only to give us overall totals, i. e., two sets of figures, one for the total value of JRSO claims against which no adverse claims have been filed and the other for the total value of JRSO claims against which adverse claims had been filed. We urged nevertheless that they keep their figures on a case-by-case basis, particularly in view of the fact that we do not know that there will be a bulk settlement. OAP's agreement to furnish this information was conditioned on prior withdrawal by JRSO of all claims which clearly had no validity. Such withdrawal is to be made by submission of a separate notice for each claim.

OAP gave as reasons for its position (a) the lack of personnel in the Comptroller's Section (Sy's offer to furnish JRSO personnel was rejected on the grounds that this would disturb operations), (b) that JRSO is not entitled to information on individual claims without prima facie evidence of the validity of its claim, and (c) there was no necessity for the presentation of individual values as a basis for a bulk settlement proposal.

The above procedures should give us (1) a figure of the total dollar value of our claims, and (2) a figure on the total dollar value of our claims where there is no adverse title claim. It will not give us an indication whether our claims are valid -- that is, Jewish or not. Here, we would like access to individual files, but that OAP is not prepared to grant. We left this with the agreement that we would take the preliminary steps; that in the course of these we would take off the JRSO docket the master file numbers, where available; and that we would then rediscuss with OAP getting information as to Jewishness of the vestee. This might involve getting addresses, etc., so that we could check in Germany; or OAP doing a study; or both. We will probably have no great difficulty re addresses, but we won't be able even to get those until we take the agreed preliminary steps.

While we did not get all we wanted, and while only practical experience will show whether the present plan is workable, we have at least an opportunity to participate actively in the evaluation work, which is clearly preferable to leaving the initiative entirely to OAP.

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The plan, no doubt, has drawbacks, especially as far as the time element is concerned.

First, there is the question of withdrawals. We will have to take definite steps toward the withdrawal of worthless claims. This could be accomplished with respect to (a) claims for patents which JRSO agreed to withdraw, except for patent contracts, (b) claims naming persons whose property was not vested, and (c) claims to business enterprises to which, not only in OAP's but also in Sy's opinion, JRSO has no claim under Public Law 626. I do not believe that OAP will insist on formal withdrawal of these claims at this time. What they wish to avoid are exaggerated figures and unnecessary work for the Comptroller's Section. In regard to claims under (a) above, I hope to get some help from the patent section which may be in a position to separate patent claims from patent contract claims. The patent contract claims will then be turned over to OAP for processing and the patent claims will be set aside to be formally withdrawn at a later date. As to (b) above, the claims have been earmarked as subject to possible withdrawal. They must be individually reexamined before they can be finally withdrawn. This is time-consuming work and it may be necessary to set these claims aside, taking the chance that one or the other good claim among them will not be acknowledged for the time being and consequently not be evaluated under the present procedure. The claims under (c) can be identified during examination of the JRSO docket. Sy suggested, and I agree, that these claims should be listed separately as we go through the JRSO docket and marked for later withdrawal. This would mean that none of the claims for business enterprises will appear on the enclosed schedule if and when these reports are prepared.

The second problem is presented by the fact that JRSO docket sheets from which the information under items 1-5 of the enclosed schedule is compiled are made up at the same time as acknowledgments. Of the 8,000 JRSO claims filed, only 5,000 have been acknowledged and docketed. Processing of the balance (mostly Washington Representative claims for beneficiaries under Estates and Trusts) may require from two to three months. It is apparent that any estimate without the Washington Representative claims would be tentative, to say the least. Moreover, judging from the attitude of OAP, it is highly improbable that they would agree to burden the Comptroller's Section with a tentative evaluation, to be followed by a second evaluation after all claims have been docketed. However, this is a matter that will have to be decided on the basis of the progress we make in extracting information on claims already docketed.

In terms of workload, the clerical work of extracting information from the docket is sizeable. In addition, we must keep pressure on OAP

to furnish us with information which will enable us to arrive at a percentage figure of Jewish-owned property claimed by JRSO. Some clerical work will no doubt develop for us also from this operation. We must keep up with amendments of our claims on the basis of OAP acknowledgments. The typing, mailing and filing of amendments and the numbering of our claims, in accordance with OAP acknowledgments, will keep one person fully occupied. Mrs. Bell has taken over this work and is performing it without requiring constant supervision. Accordingly, her salary will, as discussed with you, be increased from \$60.00 to \$65.00 per week, effective as of the 19th September 1955. An additional clerk-typist (\$50.00-\$55.00 weekly) will be required for some of our clerical work in OAP, to relieve me sufficiently to attend to overall supervision, including follow-up on the work to be performed by OAP and the Washington office.

We would appreciate receiving your early views on the proposed plan, as well as on the question of personnel.

Incidentally, during the meeting Myron and Creighton confirmed that the satellite claims legislation does not affect our satellite title claims.

As another point of interest, Schor half seriously stated that he would be willing to recommend payment of \$100,000 in settlement of all JRSO claims.

Cordially,

Werner Loewenthal

Enclosure

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Loyd

February 21, 1955

Mr. Saul Kagan  
Jewish Restitution Successor Organization  
270 Madison Avenue  
New York 16, New York

Re: JRSO: Implementation of  
Public Law 626

Dear Saul:

I had a meeting with Creighton and company today.

1. Quite obviously, Creighton has not done any further work within the Office of Alien Property on investigating the files or working over our lists. He indicated a desire to clear out of the way the question of the short form of notice of claim, and then to take the other matters up later. He promised that he would discuss with Mr. Townsend at the first opportunity the possibility of working out a procedure within the Office for going over the files and giving us the information necessary for the making of proofs, etc.

2. We had a brief discussion of the status of corporate entities under Public Law 626. Creighton indicated that corporations are not considered to be eligible under Section 32 (a) (2) (C) or (D) and that, therefore, since we were limited to persons eligible thereunder we would not be able to present claims on behalf of corporate enterprises. I am inclined to agree with Creighton on his interpretation of Public Law 626, although I reserved my position on this. I would myself have thought that Section 32 (a) (2) (C) and (D) would make it possible for wholly owned corporations to be eligible claimants -- or, that is, for persons holding the stock in such corporations to be eligible claimants -- but apparently this is not the interpretation which has been placed on the Trading with the Enemy Act by the Office of Alien Property.

3. I also discussed the possibility of working out an eventual compromise or bulk settlement. Creighton and his colleagues seemed to be quite skeptical whether this was possible under present legislation,

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arguing that they had to make the appropriate notations on individual accounts and that there were no general funds out of which they could make such a payment. Their point here would be less good were it not for the Dirksen bill and similar legislation which may very well eliminate the general surplus in the hands of the Office of Alien Property. Again, I reserved our position and indicated that the problem might be taken up again somewhat later.

4. With respect to the form of a notice of claim, we agreed that it would include the following basic items:

(a) The name of the claimant -- that is, the JRSO as successor organization.

(b) The name of the person whose property has been vested and the number and, if possible, date of the vesting order which was involved.

(c) An allegation, based on information and belief, that the vestee was a person eligible under Section 32 (a) (2) (C) or (D) -- that is, was a persecuted person -- and that, again on information and belief, the individual concerned is dead and heirless.

(d) A general provision entitled "Remarks". Under this portion of the notice of claim, we would include whatever information in addition to the above we may happen to have in a specific case, either with respect to the nature of the interest which has been vested or further information about the persecutee, his place of birth, death, condition of heirlessness, etc. The second half of the above is self-explanatory. As to information about the nature of the interest which has been vested, Creighton indicated that it would save some time for the Office of Alien Property if information were available on this, since each of the vesting orders may cover a number of properties.

(e) The notice of claim would be signed, presumably by you as secretary of the JRSO. It would, of course, be dated. It need not be sworn to.

5. I am attaching hereto a draft of a self-explanatory letter to Creighton, together with a draft notice of claim.

I will

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I will discuss the matter with Creighton again in the next couple of days. We talked about the problem of going through their files, without any conclusion more definite than the conclusions previously arrived at. Creighton seemed a little more amenable to putting someone to work full time on the files, and raised the clearance problem. I made quite clear that the legislation prohibits us charging any administrative expenses against these recoveries and that we would wish these expenses to be kept quite low. I made the same point in connection with the suggestion that a bulk settlement might be desirable all the way around.

Sincerely yours,

Seymour J. Rubin

Enclosure

CC: Mr. Goldwater  
Dr. Hevesi

Helen's footntoe Numbers

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NO Bates Stamp  
FRBk NY - 410.4  
Dec. 15, 1947

## OFFICE CORRESPONDENCE

M. Knoke

H. Sloff

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DATE December 15, 1947

TO Mr. Davis

Tom C. Clark, Attorney General, as  
SUBJECT: Successor to the Alien Property  
Custodian, Petitioner, v. Uebersee  
Finanz-Korporation, A. G.

FROM Harding Cowan

On December 8, 1947, the Supreme Court held, in a unanimous decision, that Uebersee, a corporation organized under the laws of Switzerland, is entitled to sue in the District Court to reclaim property which the Alien Property Custodian has vested, and that Uebersee is not to be relegated to a claim before the Court of Claims for a money judgment.

The importance of this decision to us is its effect upon the proposed plan of the Secretary of the Treasury and the Attorney General to have the custodian vest uncertified assets. In my opinion, the plan may now well be abandoned. The custodian would be faced with the prospect of reclamation suits by nationals of Switzerland and France, who are now reluctant to apply for certification under General License No. 95, not because they are enemies, but because of restrictions imposed on their property if disclosed to their own governments. Moreover, the right, now established, of a friendly alien to bring suit under Sec. 9(a) of the Trading with the enemy Act to reclaim his property, may be asserted within the period provided for by the relevant statute of limitations. In other words, the custodian will feel obliged to keep the vested property intact for some time, a time during which the foreign national may hope for a relaxation of the restrictive measures imposed by his government. The decision, in my opinion, gives a long breathing spell to those foreign nationals who hope to outstay the certification procedure.

Harding Cowan.

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March 12, 1956

MAR 15 1956

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11681  
also 34517047*

Mr. Saul Kagan  
Jewish Restitution Successor Organization  
270 Madison Avenue  
New York 16, New York

Dear Saul:

I enclose herewith a copy of the memorandum prepared in the OAP with respect to our claims.

Werner and I had a most disheartening meeting with Myron, Schor and Blum. On the basis of Blum's statements, I have no reason to believe that the compilation contained in this memorandum is not correct. Schor and Myron suggested the withdrawal of all of the claims other than those covered by paragraphs 5 and 5 (a). In addition, they suggested that the remaining number of claims is small enough so that individual investigation is possible. They also raised a number of what I consider to be phony theoretical arguments against a bulk settlement. These will have to be discussed at some future date.

Sincerely yours,

Seymour J. Rubin

CC: Dr. Hevesi  
Dr. Robinson  
Mr. Hyman

Enclosure

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Paul V. Myron, Deputy Director  
Office of Alien Property

Arthur R. Schor  
Chief, Claims Section

March 6, 1956

JRSO Claims

The following is an analysis which covers 2,206 accounts, including almost all of the accounts over \$500, against which JRSO has filed claims.

1. 73 accounts against which there are direct conflicting claims - \$542,835.57.
2. 104 accounts against which there are indirect claims - \$348,834.52.
3. 949 accounts where there are known heirs of the vestees - \$2,955,177.19.
- 1790 — 4. 664 accounts where the vestee is alive - \$3,706,293.31.
5. 346 accounts where there is no information concerning vestee or heirs - \$780,012.00.
- 5a. 9 accounts where it appears JRSO may be successor - \$24,190.54.
6. 57 accounts where vestee is not Jewish - \$238,838.27.
7. 4 accounts where vestee is business enterprise - \$11,501.63.

The total amount in all of the above 2,206 accounts is \$8,607,629.03. This is more than 93 per cent of the total amount in the accounts which are being checked. Groups 5 and 5a, listed above, which consist of 355 accounts, appear to be the only categories against which JRSO may be successful in establishing succession. The total amount in groups 5 and 5a is less than 9 1/2 per cent of the total amount in all the accounts which have been checked thus far.

Based upon the above figures, it appears that the total amount in groups 5 and 5a will probably be in the neighborhood of \$865,000. Even if we accept the argument of JRSO that it is entitled to 50 per cent of the amount, it falls far short of the amount they are suggesting in the proposed legislation.

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JEWISH RESTITUTION SUCCESSOR ORGANIZATION  
270 Madison Avenue  
New York 16, N.Y.

October 5, 1955

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EN

MEMORANDUM

To: JRSO Executive Committee

From: Saul Kagan

RE: JRSO Claims under Public Law 626

345-077-084

HJ Bates Numbers -  
40004-40011  
(HJ Paper fn 82)

I am enclosing herewith a report on the background and present status of the claims filed by the JRSO under P.L. 626. This report was prepared by Mr. Seymour J. Rubin, who acts as Washington counsel of the JRSO.

Saul Kagan

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Report to Executive Committee of Jewish Restitution Successor Organization

Re: Heirless Assets in the United States

Public Law 626 was passed in the closing days of the Second Session of the 83rd Congress. It culminated years of effort on the part of various Jewish organizations -- effort directed at enactment of legislation which would put heirless assets in the United States at the disposal of the Jewish Restitution Successor Organization, for the benefit of surviving persecutees. Although the law was enacted in July 1954, and signed by the President in August, the passage of the legislation itself was merely the first step in what is clearly to be the difficult program of obtaining these assets or their proceeds, and making them available for the intended relief purposes.

The bill -- now Section 32 (h) of the Trading With the Enemy Act, as amended -- provides for designation by the President of a successor organization, or organizations, to heirless or unclaimed property in the United States. This property is defined by reference to the persecutee-return provisions of the Trading With the Enemy Act -- that is, it is property which would be returned to a living persecutee or his heirs, were he alive or had he heirs to claim it. The designated successor organization has a number of obligations in regard to administration and use of the property or funds which it may receive -- accounting regularly, the obligation to return to persecutees who turn up within two years, etc. The 1954 series of amendments restrict use of the property to use for persecutees (a) in the United States and (b) who are needy, and they prohibit use of any of these funds for administrative expenses. The bill provides for a limitation of \$3 million to the amount which can be made available to a successor organization.

Immediately after enactment of the legislation, steps were taken directed at the Presidential designation of the JRSO as the successor organization under the bill. Theoretically, Public Law 626 allowed the possibility of designation of more than one successor organization. As a practical matter, however, there was never any interest in this matter of successorship to heirless assets on the part of organizations other than Jewish organizations. An application for designation as the appropriate successor organization to Jewish heirless assets (these being apparently all the heirless assets) was prepared, together with a variety of supporting documents ranging from the certificate of incorporation of the JRSO to a memorandum on the history and responsibilities of that organization. These documents were filed almost immediately upon enactment of the legislation and, in fact, were discussed with governmental officials before the legislation was actually signed by the President. Nevertheless, for a variety of reasons, designation of the JRSO was delayed until January 1955. At that time, an Executive Order was issued by the President designating the JRSO as an appropriate successor organization, and no other designations have been or are likely to be made.

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Even prior to designation of the JRSO, Messrs. Kagan and Rubin had had extensive discussions with the Office of Alien Property of the Department of Justice as to procedures for the filing of claims. In the very nature of the case, the JRSO cannot have adequate knowledge of the claims which may legitimately be filed. This is obviously because the persons who would have had knowledge have all disappeared. The JRSO is therefore faced with the necessity of devising procedures which would enable it to file at least tentative claims which could subsequently be investigated and substantiated.

The JRSO suggested a procedure to the OAP which involved the OAP compiling a list of all those vesting orders on its books as to which no claim for return had been made. Such a list would obviously include not only the names of persecutees whose assets were heirless but also the names of Germans or other enemy nationals who were in no sense persecutees. It was then proposed by the JRSO that it would go over these lists and try to identify those cases which were likely to represent heirless assets rather than enemy assets.

The OAP, however, rejected this procedure on the ground that it would place an undue administrative burden on that Office. The alternative procedure was thereupon worked out, under which the OAP turned over to the JRSO extensive lists of names. These names included all of those persons named in the vesting orders of the OAP. Although it was at first assumed by the OAP itself that these lists included only persons from whom property had been vested, it became evident upon examination that names of persons included in the vesting orders, such as custodians of property, were also included on the lists. The JRSO undertook to prepare lists of those persons who were apparently Jewish. These lists, which have been gone over a total of three times, were then submitted to the OAP, which, in turn, indicated on a copy of the lists those cases in which there was no conflicting claim for return of the property involved. The remaining names were taken to be prima facie cases of Jewish heirless property.

Although the above procedure was that generally followed, towards the end of the filing period it became impossible to submit the lists to the OAP for check, and claims were therefore filed without the preliminary OAP check to see if adverse title claims existed. As a result, the JRSO found it necessary to come to a general arrangement with the OAP, under which it agreed that in those cases in which the OAP made an adjudication of return to an individual, the JRSO claim could be considered automatically to be withdrawn. In these cases, the JRSO obviously has no claim, since there is a surviving claimant.

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A variety of other problems arose during the period between January 1955, when the JRSO was designated by the President, and August 1955, the expiration of the one-year filing period contained in the statute. A considerable amount of consultation with the OAP on detailed matters of record was obviously necessary. The work in Washington rose to such a volume that it became apparent that a full-time representative of the JRSO there was required, and Mr. Werner M. Loewenthal, who had just completed an assignment as Restitution Officer with the Office of the United States High Commissioner in Germany, was appointed to this position on June 20, 1955. He has worked in close coordination with the undersigned, who has acted during the period as Washington counsel for the JRSO. Mr. Loewenthal has had a staff of from two to three clerk-typists working with him.

The volume of work in the Washington office is apparent from the fact that between July 1 and August 23, the filing deadline under Public Law 626, the Washington office filed 3,094 out of a total of over 8,000 JRSO claims which had been filed.

A great many of the claims filed by the Washington office arose in cases involving estates and trusts. In many of these situations, the check of the OAP lists had produced claims filed by the JRSO in the name of one or another of the persons named in the vesting order, but not in the name of the person who was the actual beneficiary of the estate or trust. It was necessary to file in the name of the latter person, and claims in this category formed a major portion of the claims filed directly by the Washington JRSO office.

During this period also, one of the many problems concerned the so-called "omnibus accounts" in the OAP. These are accounts in the United States, held in the names of Swiss, Dutch or French banks, where the names of the actual depositors in the accounts are not known. It is possible that a major part of these accounts represents the funds of persons who were enemy nationals. On the other hand, there exists a substantial possibility that some portion of these accounts may be the funds of persecutees who were seeking to avoid the foreign exchange restrictions of Germany. A letter describing this situation, and suggesting that JRSO be considered informally to have claimed such portion of these accounts as might be found later to belong to persecutees, was sent to the OAP, but the request was rejected.

Thereupon, some 325 vesting orders in this category were located by the Washington JRSO office and claims filed describing these orders in terms which make it possible to identify the property in some detail.

Another problem arose out of negotiations between the United States and the Netherlands with respect to return of so-called scheduled securities. These were securities held in the United States which presumptively had been

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looted. By agreement between the governments, these securities were to be returned to the Netherlands Government for distribution to the true original owners or their heirs. It is clear, however, that some portion of this property is heirless, and, in cooperation with the Department of State, the JRSO has filed a claim with respect to that portion of these securities identified by the Netherlands Government as heirless. This claim is in a sense protective, since it is possible that these securities will eventually go to the Jewish community of the Netherlands rather than to the JRSO.

Individual cases are on occasion of some particular interest. Such a one is that which involves a highly complicated proceeding in the OAP generally known as the von Clemm case. It has been suggested that a portion of the property involved in this case, several packets of diamonds, amounting to sums estimated to be more than \$200,000, may in fact be heirless Jewish property. These diamonds were brought into the United States in asserted violation of customs regulations and, aside from the problems involved in proving the heirless character of the property in a situation in which few or no facts are available to the JRSO, there is also the problem of the claim of the Customs Bureau that if the diamonds are not German property to be vested by the OAP, they are diamonds which were entered into the United States illegally and should therefore be forfeited to the Customs Bureau. Despite a considerable amount of work which has already been done on this case, much more detailed work remains to be done if a serious effort is to be made to obtain this property.

By August 23, 1955, something in excess of 8,000 claims of varying degrees of validity had been filed with the OAP.

Although considerable work on the problems to be described in this section has already been done, it seems appropriate to deal with these problems in this rather than the previous section of the report.

The JRSO problems, once the mass of claims has been filed, resolve themselves into two major categories. These concern the procedure for "cleaning up" the relatively undigested mass of claims which has been filed and putting these in some kind of workable shape; and secondly, working out a procedure for the processing of the claims and the recovery, as speedily as possible, of the proceeds of heirless property.

With respect to the first problem, that is cleaning up the claims, a considerable amount of work obviously has to be done and, in fact, is currently being done. Because of the method by which the claims were filed, the JRSO has on file a great many of what are obviously worthless claims which merely clutter up the records. The reason for this is inherent in the method which the JRSO was compelled to adopt in filing the claims and the materials made available to it for that purpose. As has been pointed out, for example, the list of names furnished by the OAP, which was the fundamental working document for the JRSO, contained names of custodians of property and of persons having some relation to that property,

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even though they might not be the beneficial owners of that property. Thus, if property were held by one Israel Cohen, for the benefit of Joseph McCarthy, it is almost certain that a claim has been filed by the JRSO as successor to Israel Cohen, even though no property right of Cohen has in fact been vested. Such a claim should obviously be withdrawn.

Similarly, the JRSO succeeds to the rights only of those persons who are persecutees under Section 32 of the Trading With the Enemy Act and who would, if alive, themselves be eligible for return. Corporations are specifically excluded from such eligibility. Despite this, the JRSO has on file numerous corporate claims containing possibly Jewish names, and these will also have to be withdrawn.

For various reasons, it is important that this work be done expeditiously. In the first place, we have been able to work out with the OAP a short-form "notice of claim", upon which all of the JRSO claims have been filed and which is a rather unusual document in OAP history. Despite some difficulties, we have had a considerable amount of cooperation in this regard and with regard to the special docketing of JRSO claims, etc., from the OAP. This cooperation, and particularly the cooperation extended with respect to the filing of claims merely on the basis of information and belief implies the obligation to withdraw those claims which are clearly not well founded. Moreover, the withdrawal of such claims will give the JRSO -- and the OAP -- a more clear idea of how many claims, and in what amount, are actually involved.

Secondly, the JRSO is faced with the alternatives of processing the individual claims or of attempting to obtain a bulk settlement. It needs little demonstration to show that processing of even 2,000 or 3,000 claims would be an interminable and most difficult job. Addresses would have to be obtained out of the records of the OAP, which in many cases does not have such addresses. Work would have to be done in Germany to try to establish the persecutee status of the person involved. Evidence would have to be presented to the OAP, and in many cases a hearing would have to be held. All of this would be done at a time when it is quite likely that the OAP will be burdened by a large number of claims for return filed by non-persecutee German nationals, if the Administration proposal for returns of up to \$10,000 is adopted.

It has therefore seemed imperative that the JRSO look toward a bulk settlement rather than the individual processing of these thousands of claims. The OAP, however, has taken and does take the position that a bulk settlement is impossible under present legislation. It therefore becomes imperative to obtain a modification of the present legislation. Any such modification, it is believed, should not merely authorize a bulk settlement, but should facilitate the making of such a settlement.

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With these ends in view, Mr. Loewenthal and the writer have had numerous conferences with the OAP. Procedures have now been worked out under which the following steps will be taken:

(a) The clearly untenable claims of the JRSO will be withdrawn.

(b) A list will be compiled of all remaining claims of the JRSO.

(c) A supplementary list will be prepared of JRSO claims in cases in which there is an adverse title claim.

(d) The OAP will furnish figures as to the total amounts involved in categories (b) and (c) above.

In addition, the OAP has reserved the question of whether we will be able to get figures on the amounts involved in individual claims from the Office of the Comptroller. (In many cases, this information is contained on the JRSO docket which is being made available to us and which will, of course, be incorporated into our records.)

When the above information has been obtained, we propose to check a representative sample of the claims where sufficient information is available to make checking possible. (It has also been requested that the OAP furnish us with information as to names, addresses, etc.; again, a considerable amount of such information is available from the JRSO docket which has been opened up to us.) From this examination, we should be able to estimate how many of our claims are actually for heirless property. Applying that percentage to the total figures which we will previously have received, we should be able to come to some kind of reasonable estimate of the amounts which are involved in the JRSO claims, and which should therefore be the target figure for a bulk settlement.

Much of the above work is already in progress. In addition, the writer has had conferences with Mr. Harlan Wood, Chief Counsel of the Senate Judiciary Subcommittee on the Trading With the Enemy Act, and with Mr. Smithy of the Senate Legislative Counsel's Office. An amendment to S. 2227, the Administration bill dealing with partial return of enemy private assets, has been prepared and has been discussed with these gentlemen. Its principle -- that is the principle of a bulk settlement of JRSO claims -- seems to have met with their approval. Moreover, the OAP has apparently slowly come to the conclusion that a bulk settlement of these claims would be desirable. It may be added that the State Department has indicated its concurrence with the principle of a bulk settlement and will probably be willing to press the OAP on this point.

Assuming that the principle of a bulk settlement will be accepted and that it can be enacted at the next session of the Congress, in one form or another, the main question will be that of the amount of such a settlement. It is too early to tell what amount will be involved. Our efforts are presently directed towards establishing a sufficient body of data for estimates in support of a minimal bulk settlement figure, which we would like to introduce in the course of the efforts to obtain legislation authorizing a bulk settlement.

The further program therefore includes continued work on the processing of the claims, as above described, and continued work with respect to the legislative proposals and their acceptance both by the Administration and by the Congress. The problems dealt with up to now have been of great complexity and have taken an enormous amount of time. It is very likely that they will take even more time in the future, particularly if such matters as the von Clemm case should come to a head and if the proposals with respect to a bulk settlement should arrive at a point where intensive work will have to be done on both the estimates and the legislative aspects of the matter.

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Seymour J. Rubin

September 1955

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HJ Bates Numbers -

400012-400015

(HJ paper fn 86).

September 13, 1955

Mr. Saul Kagan  
Jewish Restitution Successor Organization  
270 Madison Avenue  
New York 16, New York

Dear Saul:

Sy and I met on September 9 with Messrs. Myron, Creighton and Schor to discuss the problem of estimating the value of JRSO claims.

Sy discussed the advantages of a bulk settlement for both the Government and JRSO, and emphasized the importance of an estimated value of JRSO claims for any settlement proposal. He met with no opposition in principle, and discussed our requirements on the basis of the schedule enclosed herewith, stating that JRSO was prepared to furnish the personnel to do all or part of the work, depending on the accessibility of OAP records.

We explained that the information not available from JRSO records was (a) whether an adverse claim had been filed, (b) whether the property claimed by JRSO was actually Jewish-owned, and (c) the value of the property claimed. It was our understanding that the information concerning adverse claims may be obtained from a docket maintained by Mrs. America's office, that the individual claim files may contain information concerning Jewish ownership, at least the address of the owner in Germany, and that the value of the property claimed by JRSO could be obtained from records in the Comptroller's Office.

In substance, the position of OAP and the resulting tentative agreement are as follows:

OAP is prepared to give us access to the docket maintained by Mrs. America's office as far as it relates to JRSO claims. This means, in effect, that we are authorized to compile the information required under items 1-5 of the enclosed schedule from a docket which is maintained

exclusively

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exclusively for JRSO claims and which contains a cross-reference to a general docket, in case an adverse claim has been filed. We are not authorized to examine the general docket for any indication as to the identity of the adverse claimant or the validity of adverse claims.

Although Sy pressed very hard for information on values on a case-by-case basis, as contemplated under item 6 of the enclosed schedule, OAP agreed only to give us overall totals, i. e., two sets of figures, one for the total value of JRSO claims against which no adverse claims have been filed and the other for the total value of JRSO claims against which adverse claims had been filed. We urged nevertheless that they keep their figures on a case-by-case basis, particularly in view of the fact that we do not know that there will be a bulk settlement. OAP's agreement to furnish this information was conditioned on prior withdrawal by JRSO of all claims which clearly had no validity. Such withdrawal is to be made by submission of a separate notice for each claim.

OAP gave as reasons for its position (a) the lack of personnel in the Comptroller's Section (Sy's offer to furnish JRSO personnel was rejected on the grounds that this would disturb operations), (b) that JRSO is not entitled to information on individual claims without prima facie evidence of the validity of its claim, and (c) there was no necessity for the presentation of individual values as a basis for a bulk settlement proposal.

The above procedures should give us (1) a figure of the total dollar value of our claims, and (2) a figure on the total dollar value of our claims where there is no adverse title claim. It will not give us an indication whether our claims are valid -- that is, Jewish or not. Here, we would like access to individual files, but that OAP is not prepared to grant. We left this with the agreement that we would take the preliminary steps; that in the course of these we would take off the JRSO docket the master file numbers, where available; and that we would then rediscuss with OAP getting information as to Jewishness of the vestee. This might involve getting addresses, etc., so that we could check in Germany; or OAP doing a study; or both. We will probably have no great difficulty re addresses, but we won't be able even to get those until we take the agreed preliminary steps.

While we did not get all we wanted, and while only practical experience will show whether the present plan is workable, we have at least an opportunity to participate actively in the evaluation work, which is clearly preferable to leaving the initiative entirely to OAP.

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The plan, no doubt, has drawbacks, especially as far as the time element is concerned.

First, there is the question of withdrawals. We will have to take definite steps toward the withdrawal of worthless claims. This could be accomplished with respect to (a) claims for patents which JRSO agreed to withdraw, except for patent contracts, (b) claims naming persons whose property was not vested, and (c) claims to business enterprises to which, not only in OAP's but also in Sy's opinion, JRSO has no claim under Public Law 626. I do not believe that OAP will insist on formal withdrawal of these claims at this time. What they wish to avoid are exaggerated figures and unnecessary work for the Comptroller's Section. In regard to claims under (a) above, I hope to get some help from the patent section which may be in a position to separate patent claims from patent contract claims. The patent contract claims will then be turned over to OAP for processing and the patent claims will be set aside to be formally withdrawn at a later date. As to (b) above, the claims have been earmarked as subject to possible withdrawal. They must be individually reexamined before they can be finally withdrawn. This is time-consuming work and it may be necessary to set these claims aside, taking the chance that one or the other good claim among them will not be acknowledged for the time being and consequently not be evaluated under the present procedure. The claims under (c) can be identified during examination of the JRSO docket. Sy suggested, and I agree, that these claims should be listed separately as we go through the JRSO docket and marked for later withdrawal. This would mean that none of the claims for business enterprises will appear on the enclosed schedule if and when these reports are prepared.

The second problem is presented by the fact that JRSO docket sheets from which the information under items 1-5 of the enclosed schedule is compiled are made up at the same time as acknowledgments. Of the 8,000 JRSO claims filed, only 5,000 have been acknowledged and docketed. Processing of the balance (mostly Washington Representative claims for beneficiaries under Estates and Trusts) may require from two to three months. It is apparent that any estimate without the Washington Representative claims would be tentative, to say the least. Moreover, judging from the attitude of OAP, it is highly improbable that they would agree to burden the Comptroller's Section with a tentative evaluation, to be followed by a second evaluation after all claims have been docketed. However, this is a matter that will have to be decided on the basis of the progress we make in extracting information on claims already docketed.

In terms of workload, the clerical work of extracting information from the docket is sizeable. In addition, we must keep pressure on OAP

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to furnish us with information which will enable us to arrive at a percentage figure of Jewish-owned property claimed by JRSO. Some clerical work will no doubt develop for us also from this operation. We must keep up with amendments of our claims on the basis of OAP acknowledgments. The typing, mailing and filing of amendments and the numbering of our claims, in accordance with OAP acknowledgments, will keep one person fully occupied. Mrs. Bell has taken over this work and is performing it without requiring constant supervision. Accordingly, her salary will, as discussed with you, be increased from \$60.00 to \$65.00 per week, effective as of the 19th September 1955. An additional clerk-typist (\$50.00-\$55.00 weekly) will be required for some of our clerical work in OAP, to relieve me sufficiently to attend to overall supervision, including follow-up on the work to be performed by OAP and the Washington office.

We would appreciate receiving your early views on the proposed plan, as well as on the question of personnel.

Incidentally, during the meeting Myron and Creighton confirmed that the satellite claims legislation does not affect our satellite title claims.

As another point of interest, Schor half seriously stated that he would be willing to recommend payment of \$100,000 in settlement of all JRSO claims.

Cordially,

Werner Loewenthal

Enclosure

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February 21, 1955

Mr. Saul Kagan  
Jewish Restitution Successor Organization  
270 Madison Avenue  
New York 16, New York

Re: JRSO: Implementation of  
Public Law 626

Dear Saul:

I had a meeting with Creighton and company today.

1. Quite obviously, Creighton has not done any further work within the Office of Alien Property on investigating the files or working over our lists. He indicated a desire to clear out of the way the question of the short form of notice of claim, and then to take the other matters up later. He promised that he would discuss with Mr. Townsend at the first opportunity the possibility of working out a procedure within the Office for going over the files and giving us the information necessary for the making of proofs, etc.

2. We had a brief discussion of the status of corporate entities under Public Law 626. Creighton indicated that corporations are not considered to be eligible under Section 32 (a) (2) (C) or (D) and that, therefore, since we were limited to persons eligible thereunder we would not be able to present claims on behalf of corporate enterprises. I am inclined to agree with Creighton on his interpretation of Public Law 626, although I reserved my position on this. I would myself have thought that Section 32 (a) (2) (C) and (D) would make it possible for wholly owned corporations to be eligible claimants -- or, that is, for persons holding the stock in such corporations to be eligible claimants -- but apparently this is not the interpretation which has been placed on the Trading with the Enemy Act by the Office of Alien Property.

3. I also discussed the possibility of working out an eventual compromise or bulk settlement. Creighton and his colleagues seemed to be quite skeptical whether this was possible under present legislation,

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arguing that they had to make the appropriate notations on individual accounts and that there were no general funds out of which they could make such a payment. Their point here would be less good were it not for the Dirksen bill and similar legislation which may very well eliminate the general surplus in the hands of the Office of Alien Property. Again, I reserved our position and indicated that the problem might be taken up again somewhat later.

4. With respect to the form of a notice of claim, we agreed that it would include the following basic items:

(a) The name of the claimant -- that is, the JRSO as successor organization.

(b) The name of the person whose property has been vested and the number and, if possible, date of the vesting order which was involved.

(c) An allegation, based on information and belief, that the vestee was a person eligible under Section 32 (a) (2) (C) or (D) -- that is, was a persecuted person -- and that, again on information and belief, the individual concerned is dead and heirless.

(d) A general provision entitled "Remarks". Under this portion of the notice of claim, we would include whatever information in addition to the above we may happen to have in a specific case, either with respect to the nature of the interest which has been vested or further information about the persecutee, his place of birth, death, condition of heirlessness, etc. The second half of the above is self-explanatory. As to information about the nature of the interest which has been vested, Creighton indicated that it would save some time for the Office of Alien Property if information were available on this, since each of the vesting orders may cover a number of properties.

(e) The notice of claim would be signed, presumably by you as secretary of the JRSO. It would, of course, be dated. It need not be sworn to.

5. I am attaching hereto a draft of a self-explanatory letter to Creighton, together with a draft notice of claim.

I will

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I will discuss the matter with Creighton again in the next couple of days. We talked about the problem of going through their files, without any conclusion more definite than the conclusions previously arrived at. Creighton seemed a little more amenable to putting someone to work full time on the files, and raised the clearance problem. I made quite clear that the legislation prohibits us charging any administrative expenses against these recoveries and that we would wish these expenses to be kept quite low. I made the same point in connection with the suggestion that a bulk settlement might be desirable all the way around.

Sincerely yours,

Seymour J. Rubin

Enclosure

CC: Mr. Goldwater  
Dr. Hevesi

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