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Authority F.O. 10501  
By WDP NARA Date 7/19/00

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Entry Director's Congress  
File 1953-58  
File war Damage Claims  
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HR. 7272 (85th Cong) War Damage Claims and  
return of vested property  
(Bacins)

Sarah,  
Here are  
some documents  
from NARA. They  
need to be Bates  
stamped.  
Thank you.  
Valerie

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1ST SESSION**H. R. 7222**

IN THE HOUSE OF REPRESENTATIVES

MAY 6, 1957

Mr. BARING (by request) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

**A BILL**

To provide funds to pay nationals of the United States who have war damage claims against Germany and Japan, without additional direct appropriations therefor, and to amend the Trading With the Enemy Act and the War Claims Act of 1948, as amended.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act, divided into titles, may be cited as the "World
- 4 War II Damage Claims Settlement Act".

## 5 DECLARATION OF POLICY

- 6 SEC. 2. As a result of evidence adduced before various
- 7 committees of the Senate and House of Representatives, the
- 8 Congress hereby finds that—

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1 (a) a program which will provide the financial  
2 means, without direct congressional appropriations, with  
3 which to pay American war damage claims resulting  
4 from World War II is necessary and desirable;

5 (b) such a program should provide for a speedy  
6 and less costly termination of the custody, administra-  
7 tion, and management of privately owned former enemy  
8 alien or neutral properties by the Government;

9 (c) such a program should strengthen the foreign  
10 political and economic policies of the United States;

11 (d) such a program is necessary to reaffirm and  
12 promote respect for the basic and fundamental concept  
13 of the inviolability of private property in our national  
14 and international relationships; and

15 (a) to that end it shall be the policy of the United  
16 States and the purpose of this Act to provide a coordi-  
17 nated program for —

18 (1) financing the payment of war damage  
19 claims of United States nationals against Germany  
20 and Japan in their conduct of World War II;

21 (2) returning privately owned property, or the

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1 proceeds thereof, vested by the United States as the  
2 property of German or Japanese nationals or the  
3 nationals of friendly neutral nations;

4 (3) establishing a system of priority payments  
5 which gives immediate relief to hardship cases; and

6 (4) achieving these results without additional  
7 direct appropriations or otherwise increasing the  
8 burdens on the American taxpayer solely by: (A)  
9 returning such assets as have not been liquidated;  
10 and (B) using the balance of the proceeds from  
11 the sale of vested assets herein authorized, after  
12 the payment of claims under existing legislation  
13 and appropriate administrative costs; and (C) by  
14 using, to the extent and in the amount necessary,  
15 the payments from the Federal Republic of Ger-  
16 many and other countries to the United States for  
17 postwar economic aid or by using the payments  
18 by the Federal Republic of Germany for surplus  
19 properties sold to them.

## 20 TITLE I—AMERICAN WAR DAMAGE CLAIMS

21 SEC. 101. (a) The War Claims Act of 1948, as  
22 amended (50 U. S. C., App. 2001), is amended by insert-

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1 ing, immediately after the first section thereof, the title cap-  
 2 tion "~~TITLE I—INTERNEE CLAIMS~~".

3 (b) Sections 2-14, inclusive, of such Act are amended  
 4 by striking out the word "Act" wherever it appears therein  
 5 in relation to such Act, and inserting in lieu thereof the  
 6 word "title".

7 SEC. 102. Such Act is further amended by adding at the  
 8 end thereof the following new title:

9 "~~TITLE I—INTERNEE CLAIMS~~"

10 "~~SEC. 201. As used in this title—~~"

11 (a) The terms 'Albania', 'Austria', 'Czechoslovakia',  
 12 'Germany', 'Greece', 'Japan', 'Poland', and 'Yugoslavia',  
 13 when used in their respective geographical senses, mean the  
 14 area contained within the territorial limits of each such coun-  
 15 try as such limits existed on December 1, 1937.

16 (b) The term 'Commission' means the Foreign Claims  
 17 Settlement Commission of the United States, established pur-  
 18 suant to Reorganization Plan Numbered 1 of 1954 (68  
 19 Stat. 1279).

20 (c) The term 'national of the United States' means  
 21 any individual who (1) is a citizen of the United States,  
 22 (2) although not a citizen of the United States, owes per-  
 23 manent allegiance to the United States, or (3) has lost  
 24 United States citizenship solely by reason of marriage to a  
 25 citizen or subject of a foreign country, but has reacquired

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1 such citizenship, before the date of enactment of this title,  
2 if such individual but for such marriage would have been a  
3 national of the United States, (A) on the date of the injury,  
4 death, loss, damage, or destruction for which claim is made  
5 by such individual under this title, and (B) at all times  
6 thereafter until the filing of such claim by such individual.  
7 Such term does not include any individual who is an alien.  
8 "SEC. 202. (a) Except as specifically authorized by any  
9 other provision of law, all funds received by the United  
10 States after the date of enactment of this title, through the  
11 Export-Import Bank of Washington or otherwise, from (1) the  
12 Federal Republic of Germany under article I of the  
13 agreement between the United States and the Federal Re-  
14 public of Germany, dated February 27, 1953, for the settle-  
15 ment of the claim of the United States for postwar economic  
16 assistance to Germany, or (2) Japan or any other country  
17 in repayment for post-World War II economic aid or assist-  
18 ance rendered to such country by the United States, shall  
19 be permanently available for disposition as provided by this  
20 section.  
21 (b) Such funds shall be devoted equally to (1) the  
22 payment of claims authorized by this title, and (2) the  
23 making of returns authorized by amendments to the Trading  
24 With the Enemy Act made by title II of the World War II  
25 Damage Claims Settlement Act, so long as authorized claims

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1 of both such categories remain unsatisfied. After the satis-  
2 faction of all authorized claims of one such category, all such  
3 funds shall be devoted in their entirety to the payment of  
4 authorized claims of the other such category.

5 “(c) All funds disbursed pursuant to this section shall  
6 be disbursed by the Secretary of the Treasury upon certifi-  
7 cates issued by the Commission.

8 “Sec. 203. The Commission is authorized and directed  
9 to receive and to determine according to the provisions of  
10 this title the validity and principal amount of claims for:

11 “(a) Physical damage to, or physical loss or destruction  
12 of property located in Albania, Austria, Czechoslovakia,  
13 Germany, Greece, Japan (except for those claims for  
14 which provision is made by the treaty of peace with Japan),  
15 Poland, or Yugoslavia, which occurred during the period  
16 beginning September 1, 1939, and ending August 14, 1945,  
17 as a direct consequence of military operations of war, or of  
18 special measures directed against property during the war  
19 because of the enemy or alleged enemy character of the  
20 owner, which property was owned, directly or indirectly, by  
21 the claimant at the time of such loss, damage, or destruction.  
22 The sale, transfer, or assignment of such property subsequent  
23 to such damage, loss, or destruction shall not bar any claim  
24 of the transferor otherwise compensable under this subsec-  
25 tion. If such claim has been assigned for value, the assignee

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1 shall be the party entitled to file a claim under this  
2 subsection.

3 "(b) Damage to, or loss or destruction of, ships or  
4 ship cargoes directly or indirectly owned by the claimant  
5 at the time such damage, loss, or destruction occurred,  
6 which was a direct consequence of military action by Ger-  
7 many or Japan during the period beginning September 1,  
8 1939, and ending August 14, 1945. The sale, transfer,  
9 or assignment of any such ship or ship cargo subsequent  
10 to such damage, loss, or destruction, shall not bar any claim  
11 otherwise compensable under this subsection. If such claim  
12 has been assigned for value, the assignee shall be the party  
13 entitled to file a claim under this subsection. No award  
14 shall be made under this subsection in favor of any insurer  
15 or reinsurer as the assignee or other successor in interest  
16 to the right of the insured.

17 "(c) Loss or damage on account of the death or injury  
18 of any person who, being then a civilian national of the  
19 United States, was injured or killed as a result of military  
20 action by Germany or Japan during the period beginning  
21 September 1, 1939, and ending December 11, 1941, or  
22 for the loss of, or damage to the property of any civilian  
23 national of the United States who was a passenger on any  
24 vessel engaged in commerce on the high seas during such  
25 period, resulting as a direct consequence of such action.

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1 No award under this subsection on account of the death  
 2 or disability of any one person shall exceed \$10,000. An  
 3 award on account of the death of any such person shall be  
 4 made only to or for the benefit of the following persons:  
 5 " (1) Widow or husband, if there is no child or  
 6 children of the deceased;  
 7 " (2) Widow or husband and child or children of  
 8 the deceased, one-half to the widow or husband and the  
 9 other half to the child or children of the deceased in  
 10 equal shares;  
 11 " (3) Child or children of the deceased (in equal  
 12 shares) if there is no widow or husband; and  
 13 " (4) Parents (in equal shares) if there is no  
 14 widow, husband, or child.  
 15 An award on account of disability shall be made only to the  
 16 person so disabled, or, in the event of his death at any time  
 17 prior to the making of the award, to the persons specified  
 18 in paragraphs (1) through (4) of this subsection in the  
 19 order so specified.  
 20 "SEC. 204. No claim shall be allowed under this title  
 21 if compensation therefor has been received or is entitled to  
 22 be received in whole or in part under the provisions of any  
 23 other Act of Congress.  
 24 "SEC. 205. (a) No award shall be made pursuant to  
 25 subsection 203 with respect to any of the following classes of

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1 property: Intangible property; accounts receivable; bills  
2 receivable; records, files, plans, drawings, or formulas; cur-  
3 rency, deeds, evidences of debt, securities, money, or bul-  
4 lion; furs, jewelry, stamps, precious and semiprecious stones;  
5 works of art, antiques, stamp and coin collections; manu-  
6 scripts, books, and printed publications more than fifty years  
7 old; models, curiosities, objects of historical or scientific in-  
8 terest; and pleasure watercraft and pleasure aircraft, except  
9 that awards may be made with respect to property of any  
10 such class if such property constituted a part of the inventory,  
11 supplies, or equipment for carrying on a trade or business.

12 “(b) The amount of any award made under this title  
13 shall be reduced by the aggregate of all amounts the claim-  
14 ant has received or is entitled to receive from any other  
15 source on account of the loss or losses with respect to which  
16 the award is made.

17 “SEC. 206. No claims shall be allowed under this title  
18 unless the claimant and all predecessors in interest were—

19 “(a) in the case of a natural person, one who, on  
20 the date of loss, damage, or destruction, and continuously  
21 thereafter until the date of filing his claim with the  
22 Commission pursuant to this title, was a national of the  
23 United States; and

24 “(b) in the case of a corporation, partnership,

1 association, unincorporated body, or other entity; one  
2 which on the date of loss, damage, or destruction, and  
3 continuously thereafter until the date of presentation  
4 of its claim, was incorporated or otherwise organized  
5 under the laws of the United States or of any State  
6 or Territory thereof; or of the District of Columbia, and  
7 with respect to which, at all times between the date  
8 of such loss, damage, or destruction, and the date of  
9 presentation of its claim, at least 50 per centum of the  
10 outstanding capital stock or other proprietary interest in  
11 such entity was beneficially owned, directly or indirectly,  
12 by individuals who could qualify as individual claimants  
13 under subsection (a) of this section.

14 "SEC. 207. (a) A claim based upon an interest, direct  
15 or indirect, in a corporation or other entity which could  
16 qualify as a claimant under the provisions of section 206  
17 shall not be allowed.

18 " (b) A claim based upon an interest, direct or indirect,  
19 in a corporation or other entity which could not qualify as  
20 a claimant under the provisions of section 206 shall not be  
21 allowed unless at least 25 per centum of the outstanding  
22 capital stock or other proprietary interest in such entity  
23 has been owned, directly or indirectly, at all times between  
24 the date of such loss, damage, or destruction, and the  
25 date of presentation of the claim by individuals or cor-

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1 porations or other entities which themselves could qualify as  
2 claimants under the provisions of section 206. Any award  
3 made to any claimant which qualifies under this subsection  
4 shall be limited to that proportion of the total loss that the  
5 capital stock and proprietary interest owned by qualified  
6 claimants in such entity at the time of the loss, damage, or  
7 destruction, bears to the total capital stock and proprietary  
8 interests. For the purposes of this subsection the fact that  
9 subsequent to the loss, damage, or destruction of the property  
10 there has been nationalization, confiscation, or other govern-  
11 mental seizure of title of the capital stock or other proprie-  
12 tary interest in the entity directly owning such property  
13 shall not be deemed to have affected the claimant's owner-  
14 ship, direct or indirect, of such capital stock or other pro-  
15 prietary interest.

16 "SEC. 208. Within sixty days after the enactment of this  
17 title, the Commission shall give public notice by publication  
18 in the Federal Register of the time when, and the period  
19 within which claims under this title may be filed. Such  
20 period shall end not less than eighteen months after such  
21 publication or more than two years after the date of enact-  
22 ment of this Act.

23 "SEC. 209. The amount of any award based on a claim  
24 of a national of the United States, other than the national of  
25 the United States by whom the loss was originally sustained,

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1 shall not exceed the amount of the actual consideration last  
2 paid by such claimant for such claim prior to January  
3 1, 1953.

4 "SEC. 210. All payments authorized under section 211  
5 of this title and the administrative expenses of the Com-  
6 mission, in an amount not to exceed 5 per centum of the  
7 total value of all claims allowed under this title, shall be  
8 disbursed exclusively from the funds made available under  
9 section 202 of this title.

10 "SEC. 211. (a) The Commission is authorized and di-  
11 rected, out of the sums made available under section 202  
12 of this title, to make payments in the following order of  
13 priority:

14 "(1) Payment in full of the principal amount of awards  
15 made pursuant to section 203 (c).

16 "(2) Thereafter, payment in the amount of \$1,000 or  
17 in the principal amount of the award, whichever is less,  
18 on account of the other awards made pursuant to section 203.

19 "(3) Thereafter, payments from time to time on ac-  
20 count of the unpaid principal of the remaining awards made  
21 pursuant to section 203 in an amount which shall be the same  
22 for each award or in the amount of the unpaid principal of  
23 the award, whichever is less. The total payments made  
24 pursuant to paragraph (2) and this paragraph on account  
25 of any award shall not exceed \$10,000.

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1       “(4) Thereafter, payments semiannually on account of  
2 the unpaid principal of each remaining award made pur-  
3 suant to section 203 which shall bear to such unpaid prin-  
4 cipal the same proportion as the total amount in the fund  
5 available for distribution at the time such payments are  
6 made bears to the aggregate unpaid principal of all such  
7 awards.

8       “(b) Such payments, and applications for such pay-  
9 ments, shall be made in accordance with such regulations  
10 as the Commission shall prescribe.

11       “(c) For the purpose of making any such payments,  
12 other than section 211 (a) (1), an award shall be deemed  
13 to mean the aggregate of all awards certified in favor of  
14 the same claimant.

15       “(d) With respect to any claim which, at the time  
16 of the award, is vested in persons other than the person  
17 by whom the loss was sustained, the Commission may issue  
18 a consolidated award in favor of all claimants then entitled  
19 thereto, which award shall indicate the respective interests  
20 of such claimants therein; and all such claimants shall par-  
21 ticipate, in proportion to their indicated interests, in the  
22 payments provided by this section in all respects as if the  
23 award has been in favor of a single person.

24       “SEC. 212. Payment of any award pursuant to this  
25 title shall not, unless such payment is for the full amount of

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1 the claim, as determined by the Commission to be valid,  
2 with respect to which the award is made, extinguish such  
3 claim, or be construed to have divested any claimant of any  
4 rights against any foreign government for the unpaid bal-  
5 ance of his claim.

6 "SEC. 213. The action of the Commission in allowing  
7 or denying any claim under this title shall be final and con-  
8 clusive as to all questions of law and fact, and shall not be  
9 subject to review by any other official of the United States  
10 or by any court by mandamus or otherwise, and the Comp-  
11 troller General is authorized and directed to allow credit in  
12 the accounts of any certifying or disbursing officer for  
13 payments in accordance with such action.

14 "SEC. 214. No remuneration on account of services  
15 rendered on behalf of any claimant in connection with any  
16 claim filed with the Commission under this title shall exceed  
17 10 per centum of the total amount paid pursuant to an  
18 award made under the provisions of this title on account  
19 of such claim. Any agreement to the contrary shall be  
20 unlawful and void. Whoever, in the United States or else-  
21 where, demands or receives, on account of services so ren-  
22 dered, any remuneration in excess of the maximum permitted  
23 by this section, shall be guilty of a misdemeanor, and, upon  
24 conviction, thereof, shall be fined not more than \$5,000 or  
25 imprisoned not more than twelve months, or both.

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1 "SEC. 215. If any person to whom any payment is to  
2 be made pursuant to this title is deceased or is under a legal  
3 disability, payment shall be made to his legal representative,  
4 except that if any payment to be made is not over \$1,000  
5 and there is no qualified executor or administrator, payment  
6 may be made to the person or persons found by the Com-  
7 mission to be entitled thereto, without the necessity of  
8 compliance with the requirements of law with respect to the  
9 administration of estates.

10 "SEC. 216. No award shall be made under this title to  
11 or for the benefit of any individual who voluntarily, know-  
12 ingly, and without duress, gave aid to or collaborated with or  
13 in any manner served any government hostile to the United  
14 States during World War II.

15 "SEC. 217. Any payment made upon any claim under  
16 the provisions of this title shall operate as an automatic as-  
17 signment by the claimant to the United States of that por-  
18 tion of his claim for which he has received payment here-  
19 under.

20 "SEC. 218. The Secretary of State is authorized and  
21 directed to transfer or otherwise make available to the Com-  
22 mission such records and documents relating to claims au-  
23 thorized by this title as may be required by the Commis-  
24 sion in carrying out its functions under this title.

25 "SEC. 219. To the extent that they are not inconsistent

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1 with any provision of this title, the provisions of the first two  
 2 sentences of section 2 (b), subsection 2 (c), and section  
 3 11 of title I of this Act, and the provisions of subsections  
 4 (c), (d), (e), and (f) of section 7 of the International  
 5 Claims Settlement Act of 1949, shall be applicable to this  
 6 title."

7 TITLE II—RETURN OF VESTED ASSETS

8 SEC. 201. (a) That portion of section 32 (a) which  
 9 precedes the first numbered paragraph thereof is amended  
 10 to read as follows:

11 "SEC. 32. (a) The Alien Property Custodian, or such  
 12 officer or agency as prescribed by law, shall return any  
 13 property or interest vested in or transferred to the Alien  
 14 Property Custodian (other than any property or interest  
 15 acquired by the United States prior to December 18, 1941),  
 16 or the net proceeds thereof (or property or interest re-  
 17 ceived in exchange therefor or any payment made to the  
 18 United States in lieu of the vesting of any property or  
 19 interest), including any dividends, distribution or other  
 20 increment paid or allowed thereon subsequent to such vest-  
 21 ing, whenever it is established—"

22 (b) Section 32 (a) (1) is amended by striking the  
 23 words "as the President or such officer or agency may  
 24 prescribe," and inserting in lieu thereof the following: "as

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1 the Alien Property Custodian or such officer or agency as  
2 prescribed by law shall prescribe.”

3 (c) Section 32 (a) (2) (A) and section 32 (a)  
4 (2) (D) of the Trading With the Enemy Act are amended  
5 by striking out the words “Germany” and “Japan” wher-  
6 ever they appear therein.

7 (d) Section 32 (a) (3) and section 32 (a) (5) of  
8 such Act are repealed.

9 (e) Section 32 (d) is amended by striking the words  
10 “the President or such officer or agency as he may desig-  
11 nate may otherwise determine,” and inserting in lieu thereof  
12 the following: “as the Alien Property Custodian or such  
13 officer or agency as prescribed by law may otherwise  
14 determine.”

15 (f) Section 32 (f) is amended by striking the words  
16 “the President or such officer or agency as he may desig-  
17 nate” wherever it appears therein, and insert in lieu thereof  
18 the following: “the Alien Property Custodian or such officer  
19 or agency as prescribed by law may designate”.

20 SEC. 202. The first sentence of section 33 of such Act  
21 is amended to read as follows: “No return may be made  
22 pursuant to section 9, 32, or 39, unless notice of claim has  
23 been filed: (a) by August 9, 1948, in the case of any  
24 property or interest acquired by the United States prior

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1 to December 18, 1941; or (b) by July 30, 1958, or the  
2 date two years after the date of enactment of the World  
3 War II Damage Claims Settlement Act, whichever is later,  
4 in the case of any property or interest acquired by the United  
5 States on or after December 18, 1941.”

6 SEC. 203. Section 34 (f) of such Act is amended to  
7 read as follows:

8 “(f) (1) If the aggregate of debt claims filed as pre-  
9 scribed exceeds the money from which, in accordance with  
10 subsection (d) hereof, payment may be made, the Custodian  
11 shall prepare and, if fewer than one hundred claims have  
12 been so filed with respect to any property or interest, serve  
13 by registered mail on all claimants a schedule of all debt  
14 claims allowed and the proposed payment to each claimant.  
15 If one hundred or more claims have been so filed with re-  
16 spect to any property or interest, notice of such schedule  
17 shall be given by publication in the Federal Register, which  
18 notice shall state that the schedule will be available for  
19 inspection at the Office of the Custodian and that any debt  
20 claimant considering himself aggrieved may file a complaint  
21 for review of such schedule as hereinafter provided. In  
22 preparing such schedule, the Custodian shall assign priorities  
23 in accordance with the provisions of subsection (g) hereof.

24 “(2) Within sixty days after the giving of such notice,  
25 any claimant considering himself aggrieved may file in the

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1 United States District Court for the District of Columbia a  
2 complaint for review of the schedule, naming the Custodian  
3 as defendant. The complaint shall set forth the reasons why  
4 the schedule is alleged to be in error. A copy of such com-  
5 plaint shall be served upon the Custodian, who shall pub-  
6 lish notice thereof in the Federal Register. The Custodian,  
7 within forty-five days after service of such complaint upon  
8 him, shall file an answer to the complaint and shall certify  
9 and file in said court a transcript of the record of proceedings  
10 in the Office of Alien Property Custodian with respect to  
11 such schedule. Upon good cause shown such time may be  
12 extended by the court. Such record shall include the claims  
13 in question as filed, such evidence with respect thereto as  
14 may have been presented to the Custodian or introduced  
15 into the record by him, any findings or other determina-  
16 tions made by the Custodian with respect thereto, and the  
17 schedule prepared by the Custodian. Any interested debt  
18 claimant, upon application made to the court within forty-  
19 five days after the giving pursuant to this paragraph of  
20 notice of the filing of such complaint for review, may for  
21 good cause shown be permitted to intervene in such review  
22 proceeding. The court shall enter judgment affirming the  
23 schedule, or modifying the schedule, and directing payment,  
24 if any be found due, or remanding the schedule to the Cus-  
25 todian, if the court concludes that the schedule is not in

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1 accordance with law or that any material findings made by  
2 the Custodian are unsupported by substantial evidence.  
3 Pending the final decision of the court on such complaint for  
4 review, payment pursuant to the schedule may be made only  
5 to an extent, if any, consistent with the contention of all  
6 claimants for review.

7 “(3) In order to facilitate the processing of debt claims,  
8 whenever a debt is expressed in a foreign currency and  
9 payable in a foreign country, payment under this subsec-  
10 tion shall be made in United States currency at a rate of  
11 exchange which would permit the maximum pro rata pay-  
12 ment of all claims against the vested property or interest  
13 allowed by the Custodian. As each such claim is deter-  
14 mined to be valid, an initial payment shall be made in an  
15 amount which the aggregate of debt claims filed against  
16 the property or interest vested shall bear to the money from  
17 which, in accordance with subsection (d) hereof, payment  
18 may be made.”

19 SEC. 204. Section 39 of such Act is amended to read  
20 as follows:

21 “SEC. 39. (a) Any property or interest vested in or  
22 transferred to any officer or agency of the United States  
23 since December 7, 1941, pursuant to this Act (or any  
24 payment made to the United States in lieu of the vesting  
25 of any property or interest), or the net proceeds thereof,

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1 including any dividends, distribution, or other increment paid  
2 or allowed thereon subsequent to such vesting, and which  
3 immediately prior to such vesting, transfer, or payment was  
4 the property or interest of Germany or Japan or a citizen  
5 or subject of Germany, or Japan or a corporation, company,  
6 or association organized under the laws of Germany or  
7 Japan, shall be returned subject to the terms and condi-  
8 tions imposed upon the return of any property or interest  
9 by subparagraph (4) of subsection (a) of section 32, and  
10 subsections (b), (c), (d), (e), (f), (g), and (h) of  
11 that section. In addition to the foregoing no return shall  
12 be made pursuant to this section in the case of—

13 “(1) natural persons who on the date of enactment  
14 of this Act, or any time thereafter prior to such return  
15 have lived, or corporations, companies, or associations  
16 having their sole or primary seat, in the Soviet Zone  
17 of Occupation of Germany, or in Albania, Communist  
18 China, Czechoslovakia, Poland, Bulgaria, Hungary,  
19 Estonia, Latvia, Lithuania, Rumania, North Korea, or  
20 the Soviet Union: *Provided*, That the property of such  
21 persons, corporations, companies, or associations shall  
22 be liquidated and the proceeds therefrom held in trust  
23 by the Secretary of the Treasury until such time as the  
24 Secretary of State certifies that a return of such proper-  
25 ties will inure to the benefit of the United States or

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1 until final disposition thereof is otherwise directed by  
2 the Congress; or

3 “(2) any natural person who has been convicted  
4 personally and by name by a court of competent juris-  
5 diction of murder, ill treatment, or deportation for slave  
6 labor of prisoners of war, political opponents, hostages,  
7 or civilian population in occupied territories, or of  
8 murder or ill treatment of military or naval persons,  
9 or of plunder or wanton destruction without justified  
10 military necessity, or any person who has been a vol-  
11 untary member of the Nazi Party or of any Japanese  
12 organization ordered disbanded by the Supreme Com-  
13 mander of the Allied Powers as an organization engaged  
14 in promilitaristic activities during World War II; or

15 “(3) the owner of such property at the time of  
16 vesting; or to the legal representative or successor, as the  
17 case may be, of such owner, until the officer or agency  
18 authorized to make such return, has received a cer-  
19 tificate from the Department of State that it has ob-  
20 tained satisfactory assurances that such property will  
21 not, upon the return thereof, be seized or treated,  
22 directly or indirectly, as enemy property by any foreign  
23 government having jurisdiction over such property or  
24 the owner thereof; or

25 “(4) property which is subject to transfer to the

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1 Republic of the Philippines under the Philippine Prop-  
2 erty Act of 1946, as amended; or

3 “(5) property which the United States is obligated  
4 to release to a foreign government or governments under  
5 agreements relating to the resolution of intercustodial  
6 conflicts involving enemy property heretofore entered  
7 into by the United States with a foreign government or  
8 governments pursuant to Public Law 857, Eighty-first  
9 Congress; and property which the United States has re-  
10 ceived or may be entitled to retain or to receive from a  
11 foreign government or governments under such agree-  
12 ments; or

13 “(6) property of the former governments of Ger-  
14 many and Japan, exclusive of diplomatic and consular  
15 property; or

16 “(7) prints of motion pictures, except those which  
17 are subject to suits or claims under section 9 (a) or  
18 section 32, which prints shall be transferred to the  
19 Library of Congress for retention or disposition as the  
20 Librarian of Congress deems proper; or

21 “(8) trademarks, trade names, or rights or interests  
22 arising out of contracts entered into with respect to trade-  
23 marks or trade names vested by vesting orders 284, as  
24 amended; 678; 2354; 4751; 4819; 5592; 5593; 18805;  
25 and 18905; or of royalties or other income derived from

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1 the property or interests vested under vesting orders  
2 128; 13111; 14349; 17366; and 17952; or of copy-  
3 rights vested by vesting orders 128; 13111; 14349;  
4 17366; 17952 and the motion picture listed last in  
5 exhibit A of 11803.

6 “(9) Any royalties or other income received by or  
7 accrued in favor of the Alien Property Custodian or  
8 the Attorney General as a result of the enforcement and  
9 administration of vested rights or interests in patent  
10 licensing contracts determined to be violative of any  
11 antitrust laws of the United States.

12 “(b) Any property or interest returned under this sec-  
13 tion which has not been liquidated shall be returned in its  
14 present state as of the date of enactment of this section, after  
15 making the deductions authorized by sections 32 and 36 and  
16 such payments as may be required pursuant to the provisions  
17 of section 34; and in these cases where the property or  
18 interest has been liquidated, the Foreign Claims Settlement  
19 Commission shall make payments, after making such deduc-  
20 tions or payments, to the former owners in the following  
21 order of priority:

22 “(1) Payment to each former owner of his entire claim  
23 where the property or interest had a value of \$10,000 or  
24 less, and, simultaneously, payment to all other former own-  
25 ers of up to a maximum of \$10,000 each; and

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1 " (2). Thereafter, semiannual payments to each remain-  
2 ing former owner of pro rata shares of the entire value of his  
3 property or interest in such proportions as may be deter-  
4 mined by the Foreign Claims Settlement Commission until  
5 all such former owners have been fully paid."

6 SEC. 205. Immediately following section 39 of the Trad-  
7 ing With the Enemy Act, as amended, add a new section  
8 to read as follows:

9 "SEC. 40. (a) If, after any property or interest was  
10 vested pursuant to this Act the claim of an owner with re-  
11 spect to such property was assigned or released to or com-  
12 promised with the United States or the Alien Property  
13 Custodian, his successor or successors, no such property  
14 or the liquidated proceeds thereof shall be returned pursuant  
15 to section 32 or 39 unless such owner shall tender to the  
16 United States without interest the amount received upon  
17 such assignment, compromise or release.

18 " (b) The return of any invention pursuant to section 32  
19 or 39, as amended, shall be subject to existing licenses issued  
20 by the Alien Property Custodian, his successor or successors,  
21 and shall not include any rights of the Alien Property Cus-  
22 todian, his successor or successors, to revoke such licenses.

23 " (c) Where the seized properties consist solely of shares  
24 of stock in a corporation whose properties are located in the  
25 United States, and a valid option exists in favor of resident

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1 stockholders giving rise to the right to purchase the seized  
2 stock in the event the owner desires to sell such stock, the  
3 return of such stock shall be deemed and treated in law and  
4 equity as a prospective sale at the value thereof to be deter-  
5 mined by the Foreign Claims Settlement Commission,  
6 thereby entitling such option holders to exercise their rights  
7 in accordance with the terms, provisions and conditions of  
8 such option.

9     “(d) If the Foreign Claims Settlement Commission finds  
10 that (1) any vested property or interest subject to return  
11 under this Act consists of shares of stock of a corporation  
12 organized under the laws of any State, Territory or posses-  
13 sion of the United States or the District of Columbia; (2)  
14 at least one-third of the total outstanding shares of common  
15 stock of such corporation is registered in the names of citi-  
16 zens of the United States, and (3) return of the vested shares  
17 of stock of such corporation to the owner or owners would  
18 materially prejudice the interests of such citizen stockholders,  
19 he may require, as a condition precedent to return pursuant  
20 to this Act, that such vested stock be sold at public sale to  
21 citizens of the United States submitting the highest bid, after  
22 public advertisement of the time and place of sale, and in  
23 such event such corporation shall be entitled to receive from  
24 such proceeds of sale reimbursement for any payments made  
25 or payable to any government because of an alleged enemy

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1 interest in such vested stock, and the balance of the proceeds  
2 of such sale, except as otherwise provided in this Act, shall  
3 be remitted to the owner or owners."

4 SEC. 206. Section 32 (g) of such Act is amended by  
5 inserting immediately after the words "or section 94(a)",  
6 the words "or section 39".

### 7 TITLE III—MISCELLANEOUS PROVISIONS

8 SEC. 301. (a) Whenever any property or interest  
9 vested under the Trading With the Enemy Act may be  
10 returned to any claimant under any provision of law, and  
11 the President determines, upon a certification made by the  
12 Secretaries of State, Defense, and Commerce, that foreign  
13 ownership of such property or interest is adverse to the  
14 national defense interest of the United States, the President  
15 may, within 120 days after the enactment of this Act,  
16 direct that the return of such property or interest to any  
17 foreign claimant be conditioned upon the disposal thereof  
18 by such claimant within two years after such return to  
19 citizens of the United States.

20 (b) Upon the making of any return so conditioned,  
21 the United States District Court for the District of Columbia,  
22 upon application of the Attorney General, shall enter a  
23 judgment or decree of divestiture to such effect, and said  
24 court, recognizing the person to whom the property is  
25 returned as the owner thereof, shall order said person, if  
26 shares of stock representing the voting control of a corpo-

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1 ration be the returned property, to nominate three voting  
 2 trustees of United States citizenship, subject to the approval  
 3 of such trustees by said court, which voting trustees shall  
 4 elect a board of directors entirely of United States citizen-  
 5 ship; so that there will be secured and safeguarded, until  
 6 divestiture is complete, the operational, manufacturing,  
 7 trading, research, and other secrets of such returned prop-  
 8 erty, or of the business or other activity, represented thereby  
 9 or connected therewith, against disclosure to or use by  
 10 foreign interests; and such judgment or decree shall also  
 11 provide that if the owner or owners do not so divest them-  
 12 selves within said twelve months' period, the Attorney Gen-  
 13 eral may sell such property forthwith at public auction and  
 14 remit the proceeds to the Foreign Claims Settlement Com-  
 15 mission for disposition in accordance with the provisions of  
 16 this Act.

17 SEC. 302. (a) Subject to the provisions of section 301,  
 18 all of those activities, authorities, rights, privileges, powers,  
 19 duties, and functions with respect to the return of vested  
 20 properties, including but not limited to the return of property  
 21 under sections 9 (a), 32, and 39 of the Trading With the  
 22 Enemy Act, as amended, and the adjudication and settle-  
 23 ment of all claims relating to any vested properties, including  
 24 the adjudication and settlement of debt claims under section  
 25 34 of such Act, which have heretofore been performed by

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1 the Office of Alien Property and the Attorney General,  
2 shall hereafter be performed by the Foreign Claims Settle-  
3 ment Commission; and the President shall provide that such  
4 personnel, personal property, records and reports needed by  
5 the Foreign Claims Settlement Commission to carry out its  
6 functions hereunder shall be transferred from the Office of  
7 Alien Property to the Foreign Claims Settlement Com-  
8 mission.

9 (b) Subject to the provisions of section 301, all prop-  
10 erties vested by the United States pursuant to this Act and  
11 which have not been liquidated shall continue to be admin-  
12 istered by the Office of Alien Property or other designee of  
13 the President until final adjudication and order is made by  
14 the Foreign Claims Settlement Commission, at which time  
15 the properties shall be returned or retained pursuant to the  
16 provisions of such order. All liquidated proceeds of vested  
17 properties and other income shall, upon the effective date  
18 of this Act, be transferred to the Foreign Claims Settlement  
19 Commission for disposition in accordance with the provisions  
20 of this Act.

21 SEC. 303. The authority of the Foreign Claims Settle-  
22 ment Commission to make (1) payments pursuant to title  
23 II of the War Claims Act of 1948, as added by this Act,  
24 and (2) returns pursuant to the amendments to the Trading  
25 With the Enemy Act made by this Act shall expire on

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1. the date which is five years after the date of enactment  
2. of this Act.

3. SEC. 304. If any provision of this Act, or the appli-  
4. cation thereof to any person or circumstances, shall be held  
5. invalid, the remainder of the Act, or the application of  
6. such provision to other persons or circumstances, shall not  
7. be affected.

8. SEC. 305. The Foreign Claims Settlement Commission  
9. shall make an annual report, together with its recommenda-  
10. tions, to the Congress concerning its operations under this  
11. Act.

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REPRODUCED AT THE NATIONAL ARCHIVES

85TH CONGRESS  
1ST SESSION

# H. R. 7222

## A BILL

To provide funds to pay nationals of the United States who have war damage claims against Germany and Japan, without additional direct appropriations therefor, and to amend the Trading With the Enemy Act and the War Claims Act of 1948, as amended.

By Mr. BARING

MAY 6, 1957

Referred to the Committee on Interstate and Foreign Commerce

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Authority: E.O. 10501

By WDP NARA Date 7/19/00

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E.O. 12958-58

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H.R. 7830 (85th Cong) Relief and Rehabilitation  
of Victims of Nazi  
persecution  
(Dollinger)

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85TH CONGRESS  
1ST SESSION

# H. R. 7830

## IN THE HOUSE OF REPRESENTATIVES

MAY 29, 1957

Mr. DOLLINGER (by request) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

### A BILL

To amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That section 32 (h) of the Trading With the Enemy Act,  
4 as amended, is further amended by adding at the conclusion  
5 thereof:

6 "The President or such officer as he may designate is  
7 authorized and directed to pay the sum of \$1,000,000 to  
8 organizations designated by the President pursuant to the  
9 provisions of this subsection: *Provided, That* (1) any such  
10 organization shall have given the assurance required pur-

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2

1 suant to this subsection that any sums received by it will be  
2 used on the basis of need in the rehabilitation and resettlement  
3 of persons in the United States who suffered substantial  
4 deprivation of liberty or failed to enjoy the full rights of  
5 citizenship within the meaning of subdivisions (C) and  
6 (D) of subsection (a) (2) hereof, as well as the assurances  
7 required under subparagraphs (iii) and (iv) of this subsection,  
8 and that such organization is qualified as a nonprofit  
9 charitable organization within the meaning of this subsection;  
10 (2) such organization shall previous to the effective  
11 date of this Act have been designated by the President  
12 pursuant to this subsection or, if not previously so designated,  
13 shall, not later than three months after the effective date  
14 of this legislation, apply for such designation on behalf of  
15 categories of persons not within the scope of a prior designation;  
16 (3) such sum shall be allocated among designated  
17 organizations in the proportions in which the proceeds of  
18 heirless property were distributed, pursuant to agreements  
19 to which the United States was a party, by the Intergovernmental  
20 Committee for Refugees and successor organizations thereto. Acceptance  
21 of payment pursuant to this paragraph shall constitute a full and complete discharge  
22 of any and all claims otherwise filed pursuant to this section  
23 32 (h), and such payment shall be in lieu of and not in  
24 addition to returns pursuant to such other claims.  
25

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1 "The Attorney General is authorized and directed, im-  
2 mediately upon the enactment of this subsection, to cover  
3 into the Treasury of the United States, for deposit into the  
4 War Claims Fund, from property vested in or transferred  
5 to him under this Act, such sums, not to exceed \$1,000,000,  
6 as may be necessary to provide for payments pursuant to  
7 this subsection."

85th CONGRESS  
1st Session

# H. R. 7830

## A BILL

To amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution.

By Mr. DOLLINGER

MAY 29, 1957

Referred to the Committee on Interstate and Foreign Commerce

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EXECUTIVE SECRETARIAT  
BUREAU OF THE PRESIDENT  
WASHINGTON, D. C.

August 22, 1957

My dear Mr. Chairman:

This will acknowledge your letter of June 4, 1957, requesting the comments of this office with respect to H. R. 7830, a bill "To amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution."

Existing law permits the return of vested assets to former owners who were victims of Nazi persecution. Where such persecutees were heirless and there was no known person to whom their property could be returned, Public Law 626, 83d Congress, provided that such property might be turned over to designated organizations for use in assisting needy persecutees in the United States. The President has designated one organization for this purpose.

H. R. 7830 would have the effect of making, in lieu of settlements of claims related to specific properties of heirless persecutees, a lump sum award in the amount of \$1 million to the organization which the President has designated. The amount of this proposed award is substantially in excess of the amount (at most \$500,000) which, we understand, the organization can expect to receive from the proceeds of the property of heirless persecutees. Hence, the bill represents a basic departure from the equities recognized in, and the rationale of, Public Law 626, 83d Congress.

It is our understanding that neither the difficulties nor the costs of administering Public Law 626 are sufficiently great to provide an adequate justification for making a gift to the beneficiary organization of the substantial amount by which the proposed award would exceed the amount which the organization can reasonably expect to receive pursuant to existing provisions of law.

Enactment of H. R. 7830 would also result in a reduction of the funds available for use in financing the payment of war claims against Germany and the return of vested assets to their former owners under a plan which the Administration will present to the Congress on a priority basis early in the next session.

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For the foregoing reasons, the Bureau of the Budget is opposed to the enactment of H. R. 7830.

Sincerely yours,

Ralph W. B. Reid  
Assistant Director

Honorable Owen Harris  
Chairman, Committee on Interstate  
and Foreign Commerce  
Room 1314, House Office Building  
Washington 25, D. C.

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FOREIGN CLAIMS SETTLEMENT COMMISSION  
OF THE UNITED STATES

WASHINGTON 25, D. C.

August 22, 1957

Honorable Oren Harris  
Chairman, Committee on Interstate  
and Foreign Commerce  
House of Representatives  
Washington 25, D. C.

Dear Mr. Harris:

This refers further to your request of June 4, 1957 for the views of the Foreign Claims Settlement Commission on the bill, H. R. 7830, "A Bill To amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution."

H. R. 7830 would amend section 32 (h) of the Trading With the Enemy Act, as amended, by authorizing the payment by the President or his designee of \$1,000,000 to designated organizations for the benefit of Nazi persecutees now in the United States. This sum, derived from the net liquidated proceeds of enemy assets vested under that Act, would first be deposited in the War Claims Fund and thereupon paid from that Fund to such designated organizations upon certain conditions provided for in the bill.

Section 32 (h) of the Trading With the Enemy Act, as amended, was added to that Act by Public Law 626, 63rd Congress. Its purpose is to effect the return to such organizations as the successors in interest to deceased persons who, if living, would be presently eligible under that Act to receive a return of vested assets or their proceeds which were vested and which they had owned during their lifetime. Total returns or payments in such cases under existing law cannot exceed \$3,000,000. No lump sum payments are authorized and no transfers to or payments out of the War Claims Fund are provided for as under the subject bill.

The Commission's only concern with legislation amending the Trading With the Enemy Act, as amended, is the impact of such measures on the War Claims Fund and particularly the extent to which their enactment would divert the proceeds of liquidated enemy assets from payment of present or future valid American war claims to the financing of distress relief programs, educational benefits or other related programs more closely associated with the general purposes of government.

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Honorable Oren Harris

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August 22, 1957

The Bureau of the Budget has advised that while there is no objection to the submission of this report it is strongly opposed to the enactment of H. R. 7830 because it would grant to the beneficiary organization a substantial gift which is warranted neither by the equities nor by the rationale and criteria of the law under which such organization is now entitled to receive the proceeds derived from the property of heirless persecutees.

As to the basic merits of the subject bill, or the precise problem it is designed to meet, the Commission is not in a position to comment further.

Sincerely yours,



Whitney Gilliland  
Chairman

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*now -  
 please set up a  
 file on this*

85TH CONGRESS  
 1ST SESSION

# H. R. 7830

IN THE HOUSE OF REPRESENTATIVES

MAY 29, 1957

Mr. DOLLINGER (by request) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

## A BILL

To amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*  
 3 That section 32 (h) of the Trading With the Enemy Act,  
 4 as amended, is further amended by adding at the conclusion  
 5 thereof:

6 "The President or such officer as he may designate is  
 7 authorized and directed to pay the sum of \$1,000,000 to  
 8 organizations designated by the President pursuant to the  
 9 provisions of this subsection: *Provided, That* (1) any such  
 10 organization shall have given the assurance required pur-

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1 suant to this subsection that any sums received by it will be  
2 used on the basis of need in the rehabilitation and resettlement  
3 of persons in the United States who suffered substantial  
4 deprivation of liberty or failed to enjoy the full rights of  
5 citizenship within the meaning of subdivisions (C) and  
6 (D) of subsection (a) (2) hereof, as well as the assurances  
7 required under subparagraphs (iii) and (iv) of this subsection,  
8 and that such organization is qualified as a nonprofit  
9 charitable organization within the meaning of this subsection;  
10 (2) such organization shall previous to the effective  
11 date of this Act have been designated by the President  
12 pursuant to this subsection or, if not previously so designated,  
13 shall, not later than three months after the effective date  
14 of this legislation, apply for such designation on behalf of  
15 categories of persons not within the scope of a prior designation;  
16 (3) such sum shall be allocated among designated  
17 organizations in the proportions in which the proceeds of  
18 heirless property were distributed, pursuant to agreements  
19 to which the United States was a party, by the Intergovernmental  
20 Committee for Refugees and successor organizations thereto. Acceptance  
21 of payment pursuant to this paragraph shall constitute a full and complete  
22 discharge of any and all claims otherwise filed pursuant to this section  
23 32 (h), and such payment shall be in lieu of and not in  
24 addition to returns pursuant to such other claims.  
25

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By WDP NARA Date 7/19/00

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File 1953-58HR 7830290

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1 "The Attorney General is authorized and directed, im-  
2 mediately upon the enactment of this subsection, to cover  
3 into the Treasury of the United States, for deposit into the  
4 War Claims Fund, from property vested in or transferred  
5 to him under this Act, such sums, not to exceed \$1,000,000,  
6 as may be necessary to provide for payments pursuant to  
7 this subsection."

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By WDP NARA Date 7/19/00

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Entry Director's Congress

File HR 7830

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85TH CONGRESS  
1ST SESSION

# H. R. 7830

## A BILL

To amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution.

By Mr. DOLLINGER

MAY 29, 1957

Referred to the Committee on Interstate and Foreign Commerce

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By WDP NARA Date 7/19/00

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File 1953-58HR 7830290

## STATEMENT OF MONROE GOLDWATER ON H. R. 7830

My name is Monroe Goldwater. I am a member of the law firm of Goldwater and Flynn, 60 East 42nd Street, New York 17, New York, and I am President of the Jewish Restitution Successor Organization. The Jewish Restitution Successor Organization, which I shall refer to hereinafter as the JRSO, is a New York charitable membership corporation. The JRSO strongly urges the prompt enactment of H. R. 7830.

The background of H. R. 7830 and the reasons why it is legislation which is necessary and is strongly in the public interest are as follows.

The JRSO was designated by President Eisenhower as the organization to file claims under Public Law 626. Under the provisions of that act, which had widespread bipartisan support in both houses of Congress, it was contemplated that claims would be filed by a successor organization or successor organizations, and that on the basis of these claims returns would be made of unclaimed or heirless property vested by the Alien Property Custodian, with the proceeds of such property being used for the relief and rehabilitation of needy persecutees now in the United States. It was contemplated, as is evident from the Committee reports upon which Public Law 626 was based, that the procedures of that law would result in substantial sums--a top limit of \$3 million being set--being quickly put to use for these rehabilitation and relief purposes. Numerous safeguards were placed around the law to ensure that all the proceeds of this property would be devoted to this relief activity.

It has become apparent, however, during the course of experience in the last two years that the procedures of Public Law 626 placed an untoward and almost impossible administrative burden on both the successor organization designated by the President, and on the agency of the United States Government

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having most to do with the carrying out of this program--that is, the Office of Alien Property. The reason for this administrative burden is inherent in the type of claims filed by the successor organization. By definition, those claims are filed to property which belonged to persons who died in concentration camps without heirs; and, of necessity, documentation is almost completely absent. Secondly, there are numerous claims in which amounts are small and problems of proof are great. Thus, the individual processing of some thousands of claims has proved to be a time consuming, expensive and frustrating task for those charged with the carrying out of the commendable purposes of Public Law 626.

It is noteworthy that there are substantial assets subject to claims of the JRSO as to which the facts are beyond the knowledge of any persons who can be found. These are cases in which the presumption is very great that they involve very substantial heirless assets, but as to which proof is difficult to adduce. I do not speak in this connection of the thousands of cases in which addresses are unknown and in which people are in areas to which access is impossible, as to which facts of all sorts are beyond the reach of private or governmental agencies in the United States. I may point out, rather, that there are some millions of dollars which have been vested by the Office of Alien Property, which were taken by the United States Army in Germany and which were turned over to the Office of Alien Property to be vested. These amounts were taken out of banks in Germany where no records existed as to who the true owners of these funds were. They were undoubtedly funds which had been destined for the secret coffers of the Nazi party or Nazi officials, and the circumstances very strongly suggest that they were currencies confiscated from Jews as to which no accounting was ever given or intended. The very fact that claimants have not appeared for these funds is the strongest

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of indications that at least in substantial amount these funds belonged to persons who could not press any claims because they were killed in the Nazi concentration camps and whose small hoards of dollar funds put together came to several millions of dollars. There are, in addition, claims to properties which are subject to certain conflicting claims. For example, the Office of Alien Property has vested diamonds in the amount of somewhere upward of a million dollars which came from German sources and which, in the view of the JRSO, almost certainly were part of the loot taken by the Nazis from German Jews. These diamonds passed through the hands of the so-called Diamant-Kontor, as to which a United States Military Government report itself states, substantially contemporaneously, that it was formed exclusively to handle diamonds taken from Jewish persecutees. These are categories of cases in which proofs are very difficult, although I do have here and can submit the brief of the JRSO with respect to the diamonds in question. Absolute proofs of the sort which might be required in normal circumstances are obviously next to impossible in the situation with which we are dealing, and even if such proofs were to be attempted it would be years before evidence could be assembled, hearings could be held, and decisions on these claims could be made.

It has been the assumption of the JRSO that the Congress in passing Public Law 626, and the President in both signing the bill and designating the JRSO as successor organization, intended in fact to have monies made available for the relief of needy surviving persecutees in the United States. We do not assume that the Congress intended Public Law 626 to be empty legislation or that it was intended to raise the hopes of those who are interested in the welfare of these persecutees only to have those hopes dashed against a wall of administrative frustration. It is for these reasons that we strongly

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support H. R. 7830, a bill which is designed to cut across this morass of administrative difficulty and to achieve the result which was intended by the Congress and the President.

H. R. 7830 is a simple bill with a simple object. It does not alter the policies of the United States in any respect. It merely makes a reasonable estimate of the amounts which might be recovered, after long administrative procedures, by successor organizations, and allocates that sum as a bulk settlement of those numerous individual claims. The successor organizations would receive the amount of this estimate and would in turn release their claims to thousands of bits and pieces of property. The Office of Alien Property would be relieved of a burden which can only clog its machinery, and, most important, people who are now in need would receive some small measure of assistance while it is still possible to assist them.

Additionally, H. R. 7830 would make it possible for non-Jewish organizations to receive a fair portion of this bulk settlement. The amounts which could be claimed by such organizations were so small and the administrative problems so great, that none of these organizations has asked to be designated under Public Law 626. This is not to say, however, that they should not have a claim, and H. R. 7830 recognizes that they should not be barred merely by the administrative problems which I have pointed out.

I may say also that the bill which is now under consideration--H. R. 7830--is supported by all of the public-minded organizations to whose attention it has come. It is reasonable that it should be so supported, since it is designated not only to carry out a humanitarian objective but to implement legislation of the humanitarian nature which is already part of the statute law of the United States. Not to pass this bill would be to negate the

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intention of the Congress in enacting what is now Section 32 (h) of the Trading With the Enemy Act, and it would be to take back for reason of administrative burdens and complexity that which the Congress obviously intended to be made available to the surviving and needy victims in the United States of Nazi persecution.

February 20, 1958

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Authority E.O. 10501  
By WDP NARA Date 7/19/00RG 131  
Entry Director's Congress  
File 1953-58  
File HR 7830  
Box 290STATEMENT OF DALLAS S. TOWNSEND, ASSISTANT ATTORNEY GENERAL,  
DIRECTOR, OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE,  
BEFORE THE SUBCOMMITTEE ON COMMERCE AND FINANCE OF THE  
HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

MAR 13 1958

Mr. Chairman and Members of the Subcommittee:

I appreciate this opportunity to present the views of the Department of Justice on the bills H. R. 10327, H. R. 7830 and H. R. 6766. I shall discuss them in that order.

H. R. 10327

This bill would add a new subsection (c) to section 39 of the Trading with the Enemy Act. The subsection would authorize and direct the Attorney General to transfer up to \$5 million of the proceeds of vested property to the Treasury for deposit in the War Claims Fund. The War Claims Act of 1948, as amended (50 U.S.C. App. 2001 et seq.) authorized the War Claims Commission (the predecessor of the Foreign Claims Settlement Commission) to entertain and make awards on various types of claims of United States and Philippine nationals arising out of enemy action during World War II. These awards were to be paid from the newly constituted War Claims Fund in the Treasury, to be made up of the proceeds of German and Japanese property vested under the Trading with the Enemy Act.

More particularly, section 12 of the War Claims Act of 1948 added section 39 to the Trading with the Enemy Act, providing that

"The net proceeds remaining upon the completion of administration, liquidation, and disposition . . . of any vested German and Japanese property or interest therein shall be covered into the Treasury at the earliest practicable date."

Section 13 of the War Claims Act of 1948 established the War Claims Fund to consist of the sums so covered into the Treasury.

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As indicated by the Foreign Claims Settlement Commission's letter of January 23, 1958, to the Speaker of the House of Representatives, funds in addition to the total of \$225 million previously transferred to the Treasury are presently needed to provide for the payment of pending claims which have been allowed under the War Claims Act of 1948, as amended. The bill under discussion would provide Congressional authority for the transfer of the needed funds by the Attorney General. The bill is patterned after Public Law 211 of the 83d Congress, which authorized and directed the Attorney General to cover into the Treasury for deposit into the War Claims Fund sums aggregating \$75 million.

The Department of Justice favors the enactment of this bill.

H. R. 7830

The Trading with the Enemy Act, as amended, in general prohibits the return of property vested under its provisions during World War II which was owned by persons who were "enemies" as defined in that Act. However, section 32 of the Act, originally passed in 1946, authorizes the Office of Alien Property to make returns of vested property to limited categories of former owners having technical enemy status but who were not hostile to the United States. Among the persons qualified for the return of vested assets under section 32 are those enemy nationals who were in fact persecuted by their own governments as members of victimized political, racial or religious groups. In cases where such persons have died, returns of their property are made to successors-in-interest by intestacy or will who themselves are eligible for return under section 32. In some instances the vested property of such decedents is unclaimed because there are no survivors. Section 32(h) of the Act, which was enacted into law on August 23, 1954, authorizes the return, in a total amount not exceeding

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\$3 million, of the vested property of such "heirless" individuals to American charitable organizations designated by the President as successors-in-interest to the decedents. Returns can be made only upon a case by case basis - that is, only upon evidence that particular "heirless" decedents were persecutees. The designated organizations are required to devote the property returned to them to the rehabilitation and settlement, on the basis of need, of persons in the United States who are survivors of persecuted groups.

H. R. 7830 would amend section 32(h) so as to dispense with the present requirement that designated organizations be put to proof of specific claims. The bill would direct payment of a lump sum of \$1 million to be distributed to such organizations for the relief purposes set forth in section 32(h). This amount would be derived from the War Claims Fund heretofore created by the War Claims Act of 1948, as amended, from the proceeds of vesting of German and Japanese assets during World War II. Immediately upon enactment of H. R. 7830, the Attorney General would be required to cover into the Treasury for deposit in the War Claims Fund such sums derived from vested property, not to exceed \$1 million, as would be necessary to provide for the payments directed by the bill.

The only organization the President has designated under section 32(h) is the Jewish Restitution Successor Organization (JRSO). That organization filed a total of 7,000 claims with the Office of Alien Property, of which it has withdrawn all but 2,200. An examination of Office of Alien Property records and investigations conducted in Europe indicate that \$500,000 is the maximum aggregate amount which JRSO has a possibility of obtaining under the standards of proof in the present provisions of law.

Whether this bill should be enacted into law involves a question of policy on which the Department makes no recommendation.

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4-22-58  
Sent over by Jim  
Menger for comment.

## Subcommittee Amendment to H. R. 7830

Strike out all after the enacting clause and insert the following:

That section 32(h) of the Trading With the Enemy Act is amended by striking out all that follows the first sentence in the first paragraph down through the third paragraph, and inserting in lieu thereof the following: "In the case of any organization not so designated before the date of enactment of this amendment, such organization may be so designated only if it applies for such designation within three months after such date of enactment.

"The President, or such officer as he may designate, shall, before the expiration of the one-year period which begins on the date of enactment of this amendment, pay out of the War Claims Fund to organizations designated pursuant to this subsection the sum of \$1,000,000. If there is more than one such designated organization, such sum shall be allocated among such organizations in the proportions in which the proceeds of heirless property were distributed, pursuant to agreements to which the United States was a party, by the Intergovernmental Committee for Refugees and successor organizations thereto. Acceptance of payment pursuant to this subsection by any such organization shall constitute a full and complete discharge of all claims filed by such organization pursuant to this section, as it existed before the enactment of this amendment.

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"No payment may be made to any organization designated under this section unless it has given firm and responsible assurances approved by the President that (1) the payment will be used on the basis of need in the rehabilitation and settlement of persons in the United States who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and (D) of subsection (a)(2) of this section; (2) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the payment made to it) and permit such examination of its books as the President, or such officer or agency as he may designate, may from time to time require; and (3) it will not use any part of such payment for legal fees, salaries, or other administrative expenses connected with the filing of claims for such payment or for the recovery of any property or interest under this section."

Sec. 2. The first sentence of section 33 of such Act is amended by striking out all that follows "whichever is later" and inserting a period.

Sec. 3. Section 39 of such Act is amended by adding at end of subsection (b) the following new sentence: "Immediately upon the enactment of this sentence, the Attorney General shall cover into the Treasury of the United States, for deposit into the War Claims Fund, from property vested in or transferred to him under this Act, the sum of \$1,000,000 to make payments authorized under section 32(h) of this Act."

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To:

3-26-58From: Sol Lindenbaum  
Asst. Chief, Legal and Legislative  
Section

Pursuant to request by James  
Menger of House Legislative Council's  
office, conferred with him &  
Seymour Rubin, representing  
JRSO, re this bill. Pencilled  
~~in~~ <sup>in attached copy of bill</sup> changes were  
agreed upon as appropriate.  
Menger said he may not  
recommend all of them

S. L.

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Authority E.O. 10501  
By WDP NARA Date 7/19/00

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Box 290

85TH CONGRESS  
1ST SESSION

# H. R. 7830

IN THE HOUSE OF REPRESENTATIVES

MAY 29, 1957

Mr. DOLLINGER (by request) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

## A BILL

To amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That section 32 (h) of the Trading With the Enemy Act,  
4 as amended, is further amended by adding at the conclusion  
5 thereof:

6 "The President or such officer as he may designate is  
7 authorized and directed to pay the sum of \$1,000,000 to  
8 organizations designated by the President pursuant to the  
9 provisions of this subsection. *Provided, That* (1) any such  
10 organization shall have given the assurance required pur-

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1 suant to this subsection that ~~any~~ sums received by it will be  
 2 used on the basis of need in the rehabilitation and resettlement  
 3 of persons in the United States who suffered substantial  
 4 deprivation of liberty or failed to enjoy the full rights of  
 5 citizenship within the meaning of subdivisions (C) and  
 6 (D) of subsection (a) (2) hereof, as well as the assurances  
 7 required under subparagraphs (iii) and (iv) of this sub-  
 8 section, and that such organization is qualified as a nonprofit  
 9 charitable organization within the meaning of this subsec-  
 10 tion; (2) such organization shall <sup>before</sup> ~~previous~~ the effective  
 11 date of this <sup>paragraph</sup> ~~act~~ have been designated by the President  
 12 pursuant to this subsection or, if not previously so designated,  
 13 shall, not later than three months after the effective date  
 14 of this <sup>paragraph</sup> ~~legislation~~, apply for such designation on behalf of  
 15 categories of persons not within the scope of a prior design-  
 16 <sup>and if there is more than one designated organization,</sup> nation; (3) such sum shall be allocated among ~~designated~~  
 17 <sup>such</sup> organizations in the proportions in which the proceeds of  
 18 heirless property were distributed, pursuant to agreements  
 19 to which the United States was a party, by the Intergov-  
 20 ernmental Committee for Refugees and successor organiza-  
 21 tions thereto. Acceptance of payment pursuant to this  
 22 <sup>by any designated organization</sup> paragraph shall constitute a full and complete discharge  
 23 of any and all claims otherwise filed <sup>by such organization</sup> pursuant to ~~this~~ section  
 24 32, ~~and~~ and such payment shall be in lieu of and not in  
 25 addition to returns pursuant to such other claims.

*pursuant to this paragraph*

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Authority E.O. 10501

By WDP NARA Date 7/19/00

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1 "The Attorney General is authorized and directed, im-  
 2 mediately upon the enactment of this subsection, to cover  
 3 into the Treasury of the United States, for deposit into the  
 4 War Claims Fund, from property vested in or transferred  
 5 to him under this Act, such sums, not to exceed \$1,000,000,  
 6 as may be necessary to provide for payments pursuant to  
 7 this subsection."

Continued

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By WDP NASA Date 7/19/00

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85TH CONGRESS  
1st Session

# H. R. 7830

## A BILL

To amend the Trading With the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution.

By Mr. DOLLINGER

MAY 29, 1957

Referred to the Committee on Interstate and Foreign Commerce

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File 1953-58HR 7830290C O P Y

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Feb 17 1958

Honorable Oren Harris  
Chairman, Committee on Interstate  
and Foreign Commerce  
House of Representatives  
Washington, D. C.

Dear Mr. Chairman:

This is in response to your request for the views of the Department of Justice on a bill (H.R. 7830) "To amend the Trading with the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution."

Subdivisions (C) and (D) of section 32(a)(2) of the Trading with the Enemy Act, as amended (50 U.S.C. App. 32(a)(C) and (D)) provide for the administrative returns of property vested under that Act to persons who, although having World War II enemy status, belong to groups which were the victims of political, racial or religious persecution by enemy governments. In cases where such persons have died, returns are made to their legal representatives or successors by inheritance or testament who qualify under section 32. However, in some cases the vested property of such deceased persons is unclaimed because there are no surviving heirs or testamentary successors. Section 32(h), enacted by Public Law 626, 83d Congress, approved August 23, 1954, authorizes the transfer of such "heirless" property, in a total amount not to exceed \$3 million, to American charitable organizations designated by the President as successors in interest to these decedents. The designated organizations are required to devote the property transferred to them to the rehabilitation and settlement, on the basis of need, of persons in the United States who are survivors of persecuted groups.

H.R. 7830 would amend section 32(h) so as to dispense with the present requirement that designated organizations be put to proof of specific claims. The bill would direct the payment of the sum of \$1 million to such organizations for the relief purposes set forth in section 32(h). Acceptance of payment by an organization would constitute a full and complete discharge of any and all claims it has otherwise filed under that section and would be in lieu of the allowance of any such claims. Immediately upon enactment of the bill, the Attorney General would be required to cover into the Treasury for deposit in the War Claims Fund such sums derived from vested property, not to exceed \$1 million, as would be necessary to provide for the payments directed by the bill.

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The only organization the President has designated under section 32(h) is the Jewish Restitution Successor Organization (JRSO). That organization filed a total of 7,000 claims with the Office of Alien Property, of which it has withdrawn all but 2,200. An examination of the records of the Office of Alien Property and investigations conducted in Europe have disclosed that approximately 500 of these remaining cases, involving approximately \$500,000, are the maximum in which JRSO has a possibility of obtaining return under section 32(h).

Whether the bill should be enacted involves questions of policy on which the Department of Justice prefers to make no recommendation.

The Bureau of the Budget has advised that there is no objection to the submission of this report but that the Bureau is opposed to the enactment of the bill.

Sincerely yours,

Lawrence E. Walsh  
Deputy Attorney General

C O P Y

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Authority E.O. 10501

By WDP NARA Date 7/19/00

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Entry	<u>Director's Congress</u> <u>File 1953-58</u>
File	<u>S. 1981 85th</u>
Box	<u>292</u>

*Relief of Victims  
of Nazi persecution*

*S. 1981 (85th Cong.)  
(Dirksen)*

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Authority E.O. 10501By WDP NARA Date 7/19/00

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S. 1981 85th

Box

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File -

S. 1981

January 22, 1958

Mr. Irving M. Engel  
President  
American Jewish Committee  
386 Fourth Avenue  
New York 16, New York

Dear Mr. Engel:

This will acknowledge your letter to the  
Attorney General of January 7, 1958, concerning  
the identical bills S. 1981 and H. R. 7830.

You may be assured that the views set forth  
in your letter will be fully considered in the  
course of the preparation of any report which the  
Department may make concerning this legislation.

Sincerely yours,

Lawrence E. Walsh  
Deputy Attorney General

(Copy and H R 7830)

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Authority F.O. 10501

By WDP NARA Date 7/19/00

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Entry Director's Congress  
File 1953-59

File S. 1981 85th

Box 292

*not sent*

DST:SG:SL:hc

Honorable Jacob K. Javits  
United States Senate  
Washington 25, D. C.

Dear Senator Javits:

This will acknowledge your letter of January 9, 1954 to the Attorney General concerning the identical bills S. 1981 and H. R. 7030.

Enclosed for your information is a copy of the Department's report to the Chairman of the Senate Judiciary Committee, setting forth its views on S. 1981.

I trust that this information will be of service to you.

Sincerely,

Lawrence E. Walsh  
Deputy Attorney General

Enclosure

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Authority E.O. 10501  
By WDP NARA Date 7/19/00

RG

Entry 131  
Director's Congress  
File 1953-58File S. 1981 85thBox 292

COPY

January 9, 1958

Honorable William P. Rogers  
 Attorney General  
 Department of Justice  
 Washington 25, D. C.

Dear Bill:

There are presently pending in the Congress two bills, H.R. 7830 and S. 1981, both of which have the objective of permitting a bulk settlement of numerous claims for the return of vested property which have been filed by the Jewish Restitution Successor Organization. I should like to urge strong support by the Department of Justice for these bills in the early days of the new session of this Congress.

The background of the matter is that legislation was enacted some three years ago, with strong bipartisan support, which permitted a successor organization designated by the President to file claims for return to property vested by the Alien Property Custodian, which property had belonged to persecutees who died in Hitler's concentration camps, without heirs. The legislation provides that the proceeds of these funds are to be used for the relief and rehabilitation of needy surviving victims of Hitlerism, now resident in the United States, and the successor organization to be designated by the President is required both to file full and ample reports and to make no charges in connection with administration of the program. The Jewish Restitution Successor Organization -- the organization which has handled successfully the problems of heirless property in the American zone of Germany -- was duly designated by President Eisenhower and has since then sought to carry out the program of what is now Section 32 (h) of the Trading With the Enemy Act.

The difficulties in the way of the JRSO have been tremendous, not the least of which is the vast number of claims to relatively small properties and the not surprising unavailability of documentary evidence. Considering the fact that the persons who owned the property originally were thrown into concentration camps and thereafter exterminated, it does not seem curious that documentary evidence as to their assets is scarce.

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Authority E.O. 10501

By WDP NARA Date 7/19/00

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Box 292

TO:

FROM: Sol Lindenbaum  
Chief, Legislation and  
Review Unit

1-15-57

Allen Byler, of the  
Deputy A.S.'s office,  
informally requested the  
drafting of a reply to  
this

SL

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Authority E.O. 10501  
By WDP NARA Date 7/19/00RG 131  
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Box 292**COPY**

Honorable William F. Rogers

- 2 -

January 9, 1958

Having all the above in mind, the JRSO, after having filed some thousands of claims, has suggested that the better procedure from the point of view of the victims as well as of the United States Government, would be to make a reasonable estimate of the value of these claims and to authorize the amount of that estimate to be paid over to the JRSO in one lump sum. This procedure would mean that the surviving victims would in fact get something, and get it within their own lifetimes, and it would relieve the Department of Justice of the burden of processing some thousands of these claims.

I have discussed this matter with Colonel Townsend, and he has stated to me that his Office is in favor of the principle of such an amendment to the Trading With the Enemy Act, although it would necessarily be up to the Congress to decide on what the appropriate amount would be. I am told that Colonel Townsend has made the same statement to representatives of the JRSO. It is my understanding, however, that at the present time there is no written statement from the Department of Justice to either the House Committee on Interstate and Foreign Commerce or to the Senate Judiciary Committee, making plain that the Department of Justice favors such a bill. I am also informed that, although the Department of State has unequivocally expressed its support for such legislation, the Bureau of the Budget has taken the curious stand that since the amount is indeterminate the bill itself should not receive prompt and favorable action.

I am deeply interested in this matter, as are thousands of people who by definition are surviving victims of Nazi action and are in need. I would appreciate it greatly if the Department of Justice could explain to the Bureau of the Budget that the proposed legislation would not cost the United States Government one cent, since all that is being done is to make an estimate of the value of existing and valid claims and settle all of these claims for the estimated amount. I would also appreciate it if the Department of Justice would clearly state to the Chairmen of the two relevant Congressional Committees that it supports the principle of such legislation and that it hopes for the early enactment of such legislation.

I trust that I may have the favor of an early reply. For convenience, I am sending a copy of this letter to Colonel Townsend, Director of the Office of Alien Property.

Sincerely,

Jacob K. Javits

JKJ/dec

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File 5-1981 85th  
Box 292

United States Senate

COMMITTEE ON  
RULES AND ADMINISTRATION  
FREE

*Forward to  
Hon. Dallas S. Townsend  
Asst. Atty General  
Dept of Justice  
Wash*

*Hon. Dallas S. Townsend*  
~~Colonel Milton L. Townsend~~  
Director of the Office of Alien Property  
Export-Import Bank of Washington  
911 Vermont Avenue  
Washington, D. C.  
*Dept. of Justice  
911 V. Ave, Wash.*



FIELD  
INDEXED  
ANALYSIS  
JOHN MARSH OF CHASE S.

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File 1953-58File S. 1981 85thBox 292

Same as H.R. 7830

FEB 14 1958

*File S. 1981, 85th Cong*

Honorable James O. Eastland  
Chairman, Committee on the Judiciary  
United States Senate  
Washington, D. C.

Dear Senator:

This is in response to your request for the views of the Department of Justice on a bill (S. 1981) "To amend the Trading with the Enemy Act, as amended, so as to provide for certain payments for the relief and rehabilitation of needy victims of Nazi persecution."

Subdivisions (C) and (D) of section 32(a)(2) of the Trading with the Enemy Act, as amended (50 U.S.C. App. 32(a)(C) and (D)) provide for the administrative returns of property vested under that Act to persons who, although having World War II enemy status, belong to groups which were the victims of political, racial or religious persecution by enemy governments. In cases where such persons have died, returns are made to their legal representatives or successors by inheritance or testament who qualify under section 32. However, in some cases the vested property of such deceased persons is unclaimed because there are no surviving heirs or testamentary successors. Section 32(h), enacted by Public Law 626, 83d Congress, approved August 23, 1954, authorizes the transfer of such "heirless" property, in a total amount not to exceed \$3 million, to American charitable organizations designated by the President as successors in interest to these decedents. The designated organizations are required to devote the property transferred to them to the rehabilitation and settlement, on the basis of need, of persons in the United States who are survivors of persecuted groups.

S. 1981 would amend section 32(h) so as to dispense with the present requirement that designated organizations be put to proof of specific claims. The bill would direct the payment of the sum of \$1 million to such organizations for the relief purposes set forth in section 32(h). Acceptance of payment by an organization would constitute a full and complete discharge of any and all claims it has otherwise filed under that section and would be in lieu of the allowance of any such claims. Immediately upon enactment of the bill, the Attorney General would be required to cover into the Treasury for deposit in the War Claims Fund such sums derived from vested property, not to exceed \$1 million, as would be necessary to provide for the payments directed by the bill.

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The only organization the President has designated under section 32(h) is the Jewish Restitution Successor Organization (JRSO). That organization filed a total of 7,000 claims with the Office of Alien Property, of which it has withdrawn all but 2,200. An examination of the records of the Office of Alien Property and investigations conducted in Europe have disclosed that approximately 500 of these remaining cases, involving approximately \$500,000, are the maximum in which JRSO has a possibility of obtaining return under section 32(h).

Whether the bill should be enacted involves questions of policy on which the Department of Justice prefers to make no recommendation.

The Bureau of the Budget has advised that there is no objection to the submission of this report but that the Bureau is opposed to the enactment of the bill.

Sincerely yours,

Lawrence E. Walsh  
Deputy Attorney General

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S. 2873 (45<sup>th</sup> Cong) Amend 207, Int'l. Claims  
(Morse) Se. H. mt. Act of 1947 - restoration  
of property rights.

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S. 2873 85th

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## UNITED STATES DEPARTMENT OF JUSTICE

OFFICE OF THE DEPUTY ATTORNEY GENERAL

WASHINGTON, D. C.

Honorable Carl Macy  
Chairman, Committee on Foreign  
Relations

United States Senate  
Washington, D. C.

Dear Senator:

This is in response to your request for the views of the Department of Justice on S. 2327, a bill "To amend the International Claims Settlement Act of 1949 as amended, relative to the return of certain alien property interests."

Under the Trading with the Enemy Act as amended, (50 U.S.C. App. 32(a) (2) (C) and (D)) vested property may be returned to individuals who were persecutees of former enemy countries including Bulgaria, Hungary, and Rumania. Under the International Claims Settlement Act (60 Stat. 564) persons who are not nationals of Bulgaria, Hungary, Rumania, Germany or Japan may receive returns of their proportionate shares of the vested assets of an enemy corporation if 25 per cent or more of the outstanding stock or other proprietary interest in the enemy corporation was owned at the date of vesting by such non-nationals. Persecutees of these countries are not afforded relief under this section of the International Settlement Act.

This bill would add a new Section 216 to Title II of the International Claims Settlement Act to permit persecutees who formerly were nationals of Bulgaria, Hungary, and Rumania to claim their proportionate shares in the vested property of a corporation organized under the laws of any of those countries if at least 25 per cent of the stock in such corporation was owned by non-enemies and persecutees or if the corporation was treated as an enemy corporation under the laws of such countries. The section would apply to property vested under the Trading with the Enemy Act or under the International Claims Settlement Act.

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It has been the general policy of the United States that the private property of victims of enemy persecution which was seized during World War II should not be retained and used for reparations or similar purposes. While vested property directly owned by persecutees may be returned under existing law, indirect property interests cannot now be returned. This bill would eliminate this difference. The Department of Justice supports the enactment of this legislation.

The Bureau of the Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely yours,

Nicholas deB. Katzenbach  
Deputy Attorney General

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Box War Claims  
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# SUMMARY

# WAR CLAIMS

# RETURN OF VETS

PREPARED FOR THE

SUBCOMMITTEE ON COMMERCE

OF THE

COMMITTEE ON INTERSTATE COMMERCE

HOUSE OF REPRESENTATIVES

JUNE 1958

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# OF BILLS

WITH

# L A I M S

# ED PROPERTY

HE USE OF THE

# MERCE AND FINANCE

# AND FOREIGN COMMERCE

ESSENTATIVES

1956

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Vested Proj

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| SAMUEL N. FRIEDEL, Maryland       | PAUL F. SCHENCK, Ohio       |

<sup>1</sup> Died May 25, 1955.

63. Adverse Budget

7. Adverse:

Adverse: mendatic Treasury

Same:

comment

commendat.

otion: GA

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War Claims

and Finance dealing with War Claims and Return of Vested Property

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ED PROPERTY

AIMS

d related claims

ARMED FORCES

AIMS

Source of compensation	Cost	Bill and author	Agency comment
War claims fund		H. R. 63 Bailey	Adverse: Navy, FCSC, State, Budget.
Same	29,000 to 100,000 claims	H. R. 1567 Fisher	Adverse: Navy, FCSC, Budget.
Same	Same	H. R. 5395 Becker	Adverse: FCSC. No recommendation: Justice, State, Treasury.
Appropriations	(See "C" above)	H. R. 5395 Becker	Same.

URE

Source of compensation	Cost	Bill and author	Agency comment
fund	\$241,000	H. R. 3779 Jennings	Adverse: Budget. No recommendation: State, Treasury, FCSC.
ons		H. R. 9584 Ashley	Adverse: FCSC. No objection: GAO. No comment: State, Treasury.
		H. R. 9759 Quigley	
		H. R. 9984 Phillips	No recommendation: Justice, Treasury.

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Summary, by subject matter, of bills before Subcommittee on Commerce

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		II. General return.
		A. Limited in amount
		B. Unlimited in amount
		III. Administration of Trading With the Enemy Act
		RETURN OF VES
		I. Selective return
		II. General return.
		A. Limited in amount
		B. Unlimited in amount
		III. Administration of Trading With the Enemy Act
		WAR C
		I. Death, injury, a
		A. MEMBERS OF
		1. NEW C

Basis for claim	Where and when claim arose	Benefit proposed	Beneficiaries
A. Death of member of Armed Forces from German or Japanese action.	After armistice, anywhere.	Up to \$15,000 per claimant.	Widow, children, parents
B. Evasion of capture by member of Armed Forces for more than 10 days during World War II.	Territory under control of enemy during World War II.	\$1 per day for each day spent in danger of capture.	Claimant, widow, child, parents.
C. Same	Same	\$2.50 per day for each day spent in danger of capture.	Same
D. Evasion of capture by member of Armed Forces for more than 10 days during Korean conflict.	Area in Korea under control of Communist forces after June 24, 1950 and before July 28, 1953.	Same	Same

2. PROC

Benefit proposed	Beneficiaries	Source
E. Payment of claims for \$1.50 per day World War II prisoner of war benefits--extension of time for filing.	World War II prisoners of war, widows, children, parents.	War claim
F. Permit refiling of denied claims, provide for reconsideration, hearings, and judicial review.	Korean prisoners of war whose claims have been denied, or allowed for less than \$2.50 for each day of captivity.	Appropri
G. Payment of claims for Korean prisoner of war benefits--extension of time for filing.	Korean prisoners of war; widows, children, parents.	Same

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**WAR CLAIMS**

**I. Death, injury, and  
 B. CLAIMS**

Basis for claim	Where and when claim arose	Benefit proposed	Beneficiary
H. Death or disability of civilian national of United States from German action.	On high seas after Aug. 30, 1939 and before Dec. 12, 1941.	Up to \$7,500 for disability or death.	Disabled person, widower, children
I. Same-----	Same-----	Same-----	Same-----
J. Death or disability of civilian national of United States from German or Japanese action.	On high seas. German action after Aug. 30, 1939, and before Dec. 12, 1941; Japanese action after July 6, 1937, and before Dec. 12, 1941.	Same-----	Same-----
K. Detention, and disability or death from maltreatment, by Japan of civilian American citizens.	Capture in China, or in transit to or from China during World War II.	Detention benefits—\$60 per month. Wage payments Disability payments Death payments Medical care-----	Claimant, widow or children, parents. Claimant or legal relative. Claimant Widow or dependent children, dependent Claimant
L. Detention, and disability or death from maltreatment, by Germany or Japan, of civilian American nationals from outlying possessions of United States still under control of United States.	Territory under control of enemy during World War II.	Same-----	Same-----

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**MS—Continued**  
**related claims—Continued**  
**OF CIVILIANS**

	Source of compensation	Cost	Bill and author	Agency comment
widow or parents.	Fund to be created, consisting of German payments up to \$100,000,000 under postwar debt agreement.		H. R. 6730 Priest (by request) H. R. 6970 Bosch	H. R. 6730 administration proposal.
	Fund to be created, consisting of: (1) Payments from Germany of— (A) \$1,000,000,000 under postwar debt agreement. (B) \$27,717,000 reparation; and (C) payments under future treaties. (2) \$1,000,000,000 from foreign-aid appropriations; (3) \$210,598,000 profits of War Damage Corporation; and (4) appropriations, if needed.		H. R. 9864 Burdick	
	Fund of \$200,000,000 to be created, consisting of German payments under postwar debt agreement, and Japanese payments under any similar future treaty. Fund to be used: 1/2 for claims against Germany, 1/2 for claims against Japan.		H. R. 10549 Younger	
widower, presentant, husband, or parents.	War claims fund	\$7,000,000	H. R. 1756 Andresen H. R. 4274 Silers	Adverse: FCSC, Budget. No recommendation: Justice, State, Treasury.
	Same	\$19,000,000	H. R. 1590 Machrowicz	Adverse: FCSC, Budget. No recommendation: State. Legislature of Guam requests hearings.

War claims

PHILIPPINES

Source of compensation	Cost	Bill and author	Agency comment
War claims fund	(See "L" above)	H. R. 1590 Machrowicz	(See "L" above)
Same		H. R. 6586 McCormack	No opinion on merits: Justice.
Same	No estimate of cost can be furnished.	H. R. 7733 Huddleston	Adverse: FCSC, Budget. No recommendation: Justice, State, Treasury.

GERMANY OR JAPAN

PERSONAL PROPERTY

Source of compensation	Cost	Bill and author	Agency comment
War claims fund		H. R. 2233 Younger	Adverse: FCSC, Justice. Reference to H. R. 6730: State, Budget.
Fund to be created: See "I" above. Fund to include \$203,000,000 payments to United States from Germany for surplus property.	Require appropriations of not less than \$190,000,000.	H. R. 5840 Burdick H. R. 6088 Anfuso	Adverse: FCSC, Justice. Reference to H. R. 6730: State, Budget.
Fund to be created: See "I" above		H. R. 9864 Burdick	
Fund to be created: See "H" above		H. R. 6730 Priest (by request) H. R. 6970 Bosch	H. R. 6730, Administration proposal.

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**WAR CLAIM**

PAYAL TO **III** *Prope*

**WAR CLAIMS ARISING**

Basis for claim	Where and when claim arose	Benefit proposed	Beneficiaries
M. Furnishing relief to United States nationals from outlying possessions of United States still in United States control.	In Philippines after Dec. 6, 1941 and before Aug. 15, 1945.	Reimbursement for relief furnished.	Religious organizations in Philippines affiliated with religious organizations in United States.
N. War damage to schools, hospitals, and other property; furnishing relief to members of Armed Forces and civilian American citizens.	Same	Payment of postwar replacement cost of lost, damaged, or destroyed property; reimbursement for relief furnished.	Any religious organization in Philippines of same denomination as one functioning in United States, which has a claim for benefits under section 17 of the War Claims Act of 1948, and has not been compensated thereunder.
O. Sequestration of accounts, deposits, and other credits in Philippines by Japanese.	In Philippines during World War II.	Increase class of claimants who may be paid benefits.	Brothers and sisters, and other persons of kin of deceased persons who, if living, would be entitled to collect benefits under section 17 of the War Claims Act of 1948.

**B. PROPERTY CLAIMS**

**1. REAL OR PERSONAL**

Basis for claim	Where and when claim arose	Benefit proposed	Beneficiaries
P. Real or personal property nationalized, seized or otherwise taken by Germany.	During World War II. Location not specified.	Reimbursement: (1) in full up to \$500; plus (2) 3/4% of allowed claim over \$500; plus (3) pro rata distribution of war claims fund up to full allowed claim.	(1) United States national widow or widower, child, parents, and (2) corporations wholly owned by United States national.
Q. Real or personal property lost, destroyed or damaged in Germany. (1) war damage, (2) confiscation, or (3) nationalization.	In areas under control of Germany during World War II.	Payment of replacement cost as of date of award.	(1) United States national; (2) heirs-at-law of United States national; (3) corporations, etc., organized in United States and owned over 50 percent by United States national.
R. Real or personal property lost, destroyed, or damaged in Albania, Austria, Czechoslovakia, Germany, Greece, Poland, or Yugoslavia. (1) war damage, (2) confiscation or special measures against property, or (3) nationalization.	(1) Military operations or special measures after Aug. 30, 1939, and before May 9, 1945; (2) confiscation after Jan. 1, 1933; or (3) nationalization dates not specified.	Same	Same
S. Real or personal property lost, destroyed, or damaged in Albania, Austria, Czechoslovakia, Germany, Greece, Poland, or Yugoslavia. (1) war damage, (2) special measures against property.	Military operations or special measures after Aug. 30, 1939, and before May 9, 1945.	Payment: (1) In full up to \$1,000 plus (2) payments from time to time, to a total of \$10,000, plus (3) pro rata payments thereafter on unpaid balance.	(1) United States national; and (2) corporations organized in United States and owned over 50 percent by United States national.

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B. PROPERTY CLAIMS

1. REAL OR PERSONAL PROPERTY

Basis for claim	Where and when claim arose	Benefit proposed	Beneficiary
T. Real or personal property lost, destroyed, or damaged in Albania, Austria, Czechoslovakia, Germany, Greece, Poland, Yugoslavia, Japan, or Japanese occupied territory. (1) War damage, (2) special measures against property.	(1) German action, after Aug. 30, 1939, and before May 9, 1945; (2) Japanese action after July 6, 1937, and before Sept. 3, 1945.	Payment: (1) In full up to \$1,000 plus (2) payments from time to time, to a total of \$10,000, plus (3) pro rata payments thereafter on unpaid balance.	(1) United States and (2) corporations organized in United States and owned over 50 percent by United States citizens.

2. SHIPS, CARGOES, AND VESSELS

U. Ships and cargoes, lost, damaged, or destroyed by German action: Net losses to insurance companies from such losses.  Losses from removal of capital equipment from Germany as reparation.	After Aug. 30, 1939, and before May 9, 1945.  Ships and cargoes lost after Aug. 30, 1939, and before May 9, 1945.  Removal dates not specified.	Reasonable and adequate compensation for losses.  Preference to be given to natural persons (1) over age 60, or (2) who have not taken Federal tax deduction for war losses under sec. 127 of Internal Revenue Code of 1939.	(1) United States and (2) corporations organized in United States and owned over 50 percent by United States citizens.
V. Same	Same	Payment: (1) In full up to \$1,000, plus (2) payments from time to time, to a total of \$10,000, plus (3) pro rata payments thereafter on unpaid balance.	Same
W. Ships and cargoes lost, damaged, or destroyed by German or Japanese action.  • Net losses to insurance companies from such losses.  Losses from removal of capital equipment from Germany as reparation.	German action, after Aug. 30, 1939, and before May 8, 1945; Japanese action after July 6, 1937, and before Sept. 3, 1945.  Ships and cargoes lost from German action after Aug. 30, 1939, and before May 9, 1945; Japanese action after July 6, 1937, and before Sept. 3, 1945.  Removal dates not specified.	Same	Same

**IS—Continued**

**3—GERMANY OR JAPAN**

**AL PROPERTY—Continued**

	Source of compensation	Cost	Bill and author	Agency comment
nationals, etc., United States, 0 percent nationals.	Fund to be created: See "J" above.		H. R. 10549 Younger	

**ES, AND REPARATION**

nationals, etc., United States, over 50 percent	Fund to be created: See "I" above.		H. R. 9864 Burdick	
	Fund to be created: See "H" above.		H. R. 6730 Priest (by request) H. R. 6970 Bosch	H. R. 6730, administration proposal.
	Fund to be created: See "J" above.		H. R. 10549 Younger	

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~~S~~ Continued

Other

Type of compensation	Cost	Bill and author	Agency comment
Savings account. Payments are being made out from German repayments under Agreement.		H. R. 169 Rains.	Adverse: Treasury. No comment: Budget, Justice, FCSC.
Consisting of \$9,000,000 in blocked payments by Czechoslovakia to claims.		H. R. 11158 Hyde (by request) H. R. 11424 Younger (by request)	

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WAR CLAIM

III.

Benefit proposed	Beneficiaries	Source
X. Payment of unpaid portion of certain awards of Mixed Claims Commission in full up to \$15,000, with pro rata payments thereafter.	Claimants having unpaid claims against Germany for World War I losses.	German special deposit made to this account the London Debt
Y. Payment for property confiscated or nationalized by Czechoslovakia, in full up to \$1,000, plus pro rata payments thereafter on unpaid balances.	United States nationals and corporations, etc., organized in United States with 90 percent or more ownership in United States nationals.	Fund to be created of Czech funds, or United States for

Benefit proposed	Beneficiaries	Source
[Faint text]	[Faint text]	[Faint text]
[Faint text]	[Faint text]	[Faint text]
[Faint text]	[Faint text]	[Faint text]

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Entry Director's Congress

File Summary Bill's

Box War Claims

I. SELECT

Categories of property	Returnees	Condit
A. Property acquired by gift or inheritance from an American citizen, or a mother who was an American citizen at the time of her marriage.	Citizens or nationals of Germany or Austria.	No return to f 10-percent limi Claims of Ame paid from ve
B. Payments, or right to receive payments, under trust established before Dec. 7, 1941, for benefit of a citizen subject of Germany, Austria, or Japan.	United States citizen grantor of trust, or his successor in interest or legal representative.	
C. Property acquired by gift or inheritance from an American citizen, or a mother or grandmother who was an American citizen at the time of her marriage.	Citizens or nationals of Germany or Austria.	No return to f 10-percent limi
D. Vested property where successor in interest does not have enemy status.	Successor in interest of owner at time of vesting, if successor is otherwise eligible for return.	
E. Vested property of persons now United States citizens.	Claimant who, since vesting of property, has acquired United States citizenship.	

II. GENI

A. LIMIT

Categories of property	Returnees	C
F. All vested property, to maximum of \$10,000 per person. No return of (1) certain looted securities; (2) motion-picture prints; (3) patents; (4) certain property subject to transfer to the Philippine Republic; (5) property involved in intercustodial agreements.	Natural persons	No return to promised ce Communist war crimes.
All vested property, without limit on value, with exceptions above.	Nonprofit corporations operated for charitable, religious, or educational purposes.	No return to ce munist contr
Trademarks, trade names, and rights and interests with respect thereto.	Corporations, partnerships, and other unincorporated bodies.	Certain specif turned. No under Comm
All copyrights (with exceptions) divested.	All claimants	No limitation.

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**STED PROPERTY**

**VE RETURN**

ns and limitations	Cost	Bill and author	Agency comment
ner Nazis	At least \$78,850,000	H. R. 2102 Bosch	Adverse: Justice. No comment: FCSC. Reference to H. R. 6730: Budget.
tion on attorney's fees.			
ans against Germany to be ed property.	\$49,000,000	H. R. 2135 Hiestand	Adverse: Justice. Reference to H. R. 6730: FCSC, Budget.
mer Nazis	At least \$78,850,000	H. R. 3242 Bosch	Adverse: Justice, Budget. Reference to H. R. 6730: State. No comment: Treasury.
ation on attorney's fees.			
		H. R. 5098 Kilburn	No comment: State, Treasury.
		H. R. 10889 Young	

**RAL RETURN**

**D IN AMOUNT**

Conditions and limitations	Cost	Bill and author	Agency comment
ersons who (1) have settled or con- ain claims; (2) are in areas under ontrol; or (3) have been convicted of		H. R. 6730 Priest (by request) H. R. 6970 Bosch	H. R. 6730, administration proposal.
orporations located in areas under Com-			
d trademarks, etc., are not to be re- return to corporations located in areas mist control.			

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PROPERTY—Continued

TURN—Continued

IN AMOUNT

Conditions and limitations	Cost	Bill and author	Agency comment
Persons in communist-dominated areas or criminals; (3) to owner if property transferred by another government; (4) of property transferred to Philippine Republic.	Would require appropriations of not less than \$190,000,000.	H. R. 5840 Burdick	Adverse: Justice, FCSC. Reference to H. R. 6730: State, Budget, Treasury.
Property may be sold to United States and proceeds returned in lieu of cash.			
Calendar year shall not exceed actual calendar year of war damage claims of nationals provided for in bill.			
Provision for no return to citizens or substitution until provisions have been made to obtain German obligations.		H. R. 6088 Anfuso	(See "G" above.)
Persons who—(1) have settled or committed crimes; (2) are in areas under Communist control; (3) have been convicted of war crimes; (4) are in all categories in any calendar year; (5) actual payments made in that year; (6) claims of United States nationals.		H. R. 9864 Burdick	
Persons in areas under Communist control.			
Remarks, etc., are not to be referred to corporations, etc., located in Communist control.			
Recipients of East Germany or the recipient as it or the recipients remain in Communist control.		H. J. Res. 264 Morgan H. J. Res. 265 Pilcher H. J. Res. 268 Rivers H. J. Res. 272 Hays	Adverse: State, Budget, Treasury, FCSC.

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**RETURN OF VESTED**

**II. GENERAL RE**

**B. UNLIMITED**

Categories of property	Returnees	Condi
<p>G. All vested property without limit on value, proceeds thereof, and income therefrom.</p>	<p>Natural person, firm, trust, association, or corporation, or successor in interest.</p>	<p>No return: (1) to countries; (2) to property will be seized property subject to                      If in national interest States citizens; a property.                      Returns in any case payments made in United States natl</p>
<p>H. Same</p>	<p>Same</p>	<p>Same, plus provision subjects of Germany for settlement of</p>
<p>I. All vested property without limit on value. No return of (1) certain looted securities; (2) motion-picture prints; (3) patents; (4) certain property subject to transfer to the Philippine Republic; (5) property involved in intercultural agreements.</p>	<p>Natural persons</p>	<p>No return to persons promised certain communist control; or crimes. Returns year shall not exceed year of war damage provided for in bill</p>
<p>Same</p>	<p>Nonprofit corporations operated for charitable, religious, or educational purposes.</p>	<p>No return to corporate control.</p>
<p>Trademarks, trade names, and rights and interests with respect thereto.</p>	<p>Corporations, partnerships, and other unincorporated bodies.</p>	<p>Certain specified territories turned. No return areas under Communist</p>
<p>All copyrights (with exceptions) divested</p>	<p>All claimants</p>	<p>No limitation</p>
<p>J. Amounts equal in value to all property and interest taken by the United States since Dec. 18, 1941.</p>	<p>Any citizen or subject of Germany or Japan, or any corporation or association organized under the laws thereof.</p>	<p>No payments to residents thereof so long as under Soviet dominion</p>

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III. ADMINISTRATION OF THE

Proposal	Bill
K. Permit sale of vested property in time of war or national emergency without regard to litigation to establish right, title, or interest therein. Claimants entitled to proceeds of sale or just compensation.	H. R. H. R. O.
	H. R. I. (by H. R. F. H. R. B.
L. Eliminate requirement that Office of Alien Property pass upon reasonableness of attorney's fees. Existing 10 percent ceiling retained.	H. R. I.
M. Remove from debt claims payable, all nonpriority claims based on obligations of foreign governments and all claims based on obligations expressed or payable in any currency other than currency of the United States or Philippines.	H. R. F.
N. Authorizes Attorney General to dispose of remaining assets seized under the Trading With the Enemy Act before Dec. 18, 1941.	H. R. Pri re H. R. B.
O. Authorize settlement of claims of the Jewish Restitution Successor Organization for heirless property. Minimum of \$2,000,000, maximum of \$4,000,000.	H. R. K.
P. Authorize settlement of claims of the Jewish Restitution Successor Organization for heirless property. Minimum of \$2,000,000, maximum of \$3,000,000.	H. R. Wol

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**PROPERTY—Continued**  
**ADING WITH THE ENEMY ACT**

Author	Agency comment
80 3608 Brien	Favorable: Justice, State, Treasury, Budget.
6730 6970	H. R. 6730 administration proposal.
9864	
3460	Administration proposal (companion bill, S. 1146, amended, passed Senate Mar. 19, 1956).
3462	Administration proposal.
6909 6971	H. R. 6909 administration proposal (companion bill, S. 2226, amended, passed Senate May 21, 1956).
9972	Treasury, no comment.
9973	

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To compensate enemy  
vestees

H.J. Res. 264 (Morrison)  
265 (Pitcher)  
268 (Rivers)

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**Estimated Financial Statement  
 Office of Alien Property  
 December 31, 1954**

**Note:** Estimated values of unliquidated assets are based on market values which are subject to change. The sufficiency of the reserves carried for cases in litigation and claims depends upon the outcome of such litigation and claims which are filed in amounts far exceeding the amounts of the reserves.

DESCRIPTION	GERMAN	JAPANESE	TOTAL
Estimated value of vested assets	\$465,000,000	\$60,000,000	\$525,000,000
(a) Estimated value of unliquidated assets		\$153,000,000	
(b) Liquidated assets		<u>372,000,000</u>	<u>\$525,000,000</u>
<b><u>Paid Out</u></b>			
Amount paid into War Claims Fund		\$225,000,000*	\$225,000,000
Amount returned or paid to Claimants	27,700,000	4,300,000	32,000,000
Amount expended for administrative costs			
(a) Administrative Expenses	39,500,000	9,000,000	44,500,000
(b) Direct Expenses (taxes, etc.)	6,000,000	1,500,000	<u>7,500,000</u>
<b>TOTAL PAID OUT</b>			<b>\$309,000,000</b>
Estimated Balance			\$216,000,000
Reserves			
(a) Litigation	118,350,000	150,000	
(b) Claims		30,000,000	
(c) Intercustodial		7,500,000	\$156,000,000
Estimated Balance available for return			\$ 60,000,000
Approximate cost of return to individuals up to a maximum of \$10,000	\$50,000,000	7,500,000	\$ 57,500,000

\*These funds were paid out of the general assets of the Office of Alien Property and not charged to individual accounts as such. Accordingly, there is no method of apportioning this amount between German and Japanese accounts.

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July 15, 1955

GERMAN ASSETS: FULL RETURN OR FULL COMPENSATION

Before the Ad Hoc Subcommittee  
On H. J. Res. 272, 264, 265 and 268  
of the Committee on Foreign Affairs,  
House of Representatives

## Supplementary Statement of David Ginsburg

Mr. Chairman and Members of the Committee:

On July 1, 1955, the first day of hearings before this Committee, I appeared in full support of the principles and objectives of H. J. Res. 272, and the related resolutions.

On July 11, additional testimony was taken. At the close of the day the Chairman indicated that because of time limitations, written supplementary statements would be received bearing on the new testimony which had been heard. The present statement is limited to the two subjects which appeared to be focal points of interest:

First: The proper source of funds (a) for the payment of German and Japanese property owners whose assets have been sold and (b) for the compensation of American property owners whose assets were damaged during the war.

Second: Whether the United States has relieved itself of an obligation to make just compensation by requiring German and Japanese property owners to seek compensation from their own governments.

Appropriations are not Required

Confiscation can be avoided by returning the assets on hand, valued at approximately \$165 million, and by providing funds in the amount of approximately \$225 million. The data supporting this statement are derived from Government records and reports and are summarized in the following tabulations:

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(In millions)

1. Value of vested assets . . . . .	\$510
(a) Japanese - \$ 60	
(b) German - <u>450</u>	
	<u>\$510</u>
2. Funds derived from sale of assets . . .	\$345
(a) Japanese - \$ 60	
(b) German - <u>285</u>	
	<u>\$345</u>
3. Value of assets, in kind, still in hands of Justice Department (all German) . . . . .	\$165
4. Funds transferred to War Claims Fund for use in payment of personal injury and related claims . . . . .	\$225
Spent to date. . . . .	<u>\$165</u>
Balance on hand in War Claims Fund, (available until August 30, 1956) . . . . .	\$ 60
5. Costs of administering vested assets to July 1, 1955 (estimated) . . .	\$ 50

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(In millions)

6. Cash on hand available for distribution . . . . . \$ 60

Proceeds of liquidation (Item 2) . . . . . \$345

Less transfers to War Claims Fund (Item 4) . . . . . \$225

Less costs of administration (Item 5) . . . . . \$ 50

Less other payments or returns required by the Trading with the Enemy Act (estimated) . . . . . \$ 10

\$285

\$ 60

7. Sum needed to compensate owners whose properties have been liquidated . . . . . \$225

Proceeds of liquidation (Item 2) . . . . . \$345

Less cash on hand (Item 6) . . . . . \$ 60

Less costs of administration (Item 5) . . . . . \$ 50

Less balance from War Claims Fund (estimated) . . . . . \$ 10

\$120

\$225

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S. 2315 (83rd Cong.) \$60,000,000 bill  
appropriation

(Dirksen)

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# Calendar No. 618

83D CONGRESS }  
1st Session }

SENATE

{ REPORT  
No. 617

## PAYMENT OF CERTAIN PRISONER-OF-WAR CLAIMS

JULY 23 (legislative day, JULY 6), 1953.—Ordered to be printed

Mr. DIRKSEN, from the Committee on the Judiciary, submitted the following

### REPORT

[To accompany S. 2315]

The Committee on the Judiciary, to which was referred the bill (S. 2315), to authorize payment of certain war claims, having considered the same, reports favorably thereon, with an amendment, and recommends that the bill, as amended, do pass.

#### AMENDMENT

On page 1, line 4, strike the figure "\$60,000,000" and insert in lieu thereof "\$75,000,000".

The purpose of the proposed amendment is to raise the ceiling on the amount of funds authorized under this act in order to be certain that the War Claims Commission is able to complete payment to eligible claimants.

#### PURPOSE

The purpose of the proposed legislation, as amended, is to provide funds for the immediate payment of claims (1) of American military personnel for compulsory labor performed and inhumane treatment suffered by such personnel while prisoners of the enemy during World War II, and (2) of certain religious organizations for property destroyed or damaged and services rendered to American prisoners.

#### STATEMENT

The War Claims Act of 1948, as amended, authorizes the War Claims Commission to pay certain claims of American citizens and American religious organizations arising out of World War II. The funds for the payment of these claims are derived from the liquidation of alien properties vested under the provisions of the Trading With

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the Enemy Act and paid to the War Claims Commission under the provisions of section 39 of said act, which provides:

No property or interest therein of Germany, Japan, or any national of either such country vested in or transferred to any officer or agency of the Government at any time after December 17, 1941, pursuant to the provisions of this Act, shall be returned to former owners thereof or their successors in interest, and the United States shall not pay compensation for any such property or interest therein. The net proceeds remaining upon the completion of administration, liquidation, and disposition pursuant to the provisions of this Act of any such property or interest therein shall be covered into the Treasury at the earliest practicable date. Nothing in this section shall be construed to repeal or otherwise affect the operation of the provisions of section 32 of this Act or of the Philippine Property Act of 1946.

Section 13 (a) of the War Claims Act of 1948, which established the War Claims Fund, provides:

There is hereby created on the books of the Treasury of the United States a trust fund to be known as the War Claims Fund. The War Claims Fund shall consist of all sums covered into the Treasury pursuant to the provisions of section 39 of the Trading With the Enemy Act of October 6, 1917, as amended. The moneys in such fund shall be available for expenditure only as provided in this Act or as may be provided hereafter by the Congress.

To date, transfers have been made by the Department of Justice to the War Claims Fund in the amount of \$150 million, and some of the claimants have been paid from that fund. This \$150 million which was transferred under the authorization of former Attorneys General who purported to act under the authority of the Trading With the Enemy Act has been found to have been in excess of the free balances available after completion of the administration, liquidation, and disposition of alien property and the resolution of contests concerning these properties. However, payments have been made to eligible claimants under the War Claims Act of 1948, but many awards remain to be satisfied because of the lack of available funds with which to pay the claims.

The Department of Justice, recognizing that free balances were unavailable for transfer to the War Claims Fund from the liquidation of alien property under the law, has been forced to refuse the request for the advance of additional funds to the War Claims Commission for the completion of the remaining payments to deserving prisoners of war and other eligible claimants.

The War Claims Commission has estimated that an additional \$60 million will be required to pay all the claims presently authorized by law. Testimony indicates, however, that an additional \$15 million may be necessary in order to complete payment to eligible claimants under the War Claims Act of 1948. Consequently, the bill has been amended so that the ceiling will not prove inadequate.

Since the testimony before the subcommittee investigating the Office of Alien Property indicates that free balances from the alien property funds are not available for the payment of claims against the war claims fund, the committee feels that the proper solution is to authorize the appropriation of the necessary moneys with an appropriate provision for reimbursement of the Treasury as free balances become available from the liquidation of properties held by the Alien Property Custodian. The Congress has already agreed that prisoners of war and others are entitled to receive payments as a result of their imprisonment by the enemy during the Second World War. Some of these deserving claimants have received their compen-

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## PAYMENT OF CERTAIN PRISONER OF WAR CLAIMS 3

sation, but others have not been able to secure payment for the lack of funds. The obligation of providing compensation to those who suffered while imprisoned by the enemy is, in the opinion of the committee, one of the strongest moral obligations which the United States has undertaken, and the Congress should spare no effort in seeing to it that the remaining persons receive the compensation so justly due them. In the belief that the method provided for in this legislation is the most expeditious and fair method of discharging this obligation, the committee recommends favorable consideration of this legislation.

Attached to this report is the report of the War Claims Commission on another bill designed to enable payment of these claims, which sets forth the situation confronting the War Claims Commission at the present time.

WAR CLAIMS COMMISSION,  
Washington 25, D. C., June 8, 1953.

Hon. WILLIAM LANGER,  
Chairman, Committee on the Judiciary,  
United States Senate, Washington 25, D. C.

MY DEAR SENATOR LANGER: Further reference is made to your letter of May 20, 1953, requesting a report by the War Claims Commission on S. 1765, 83d Congress, entitled "A bill to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended."

The purpose of the bill is to authorize and direct the Department of Justice, acting through the Custodian of Alien Property, to cover into the Treasury of the United States for deposit into the War Claims Fund, created by section 13 (a) of the War Claims Act of 1948, a sum not in excess of \$60 million, which shall be in addition to the sum of \$150 million heretofore covered into the Treasury of the United States by the Alien Property Custodian (Office of Alien Property). The bill further provides that such action shall be taken immediately upon enactment of the bill.

This purpose would be accomplished by the addition of a proviso at the end of section 39 of the Trading With the Enemy Act of 1917, as amended.

In effect, the bill would suspend to a limited extent the requirement in section 39 of the Trading With the Enemy Act of 1917, as amended, quoted below, that before funds can be covered into the Treasury by the Department of Justice for deposit in the War Claims Fund, such funds shall be "net proceeds remaining upon the completion of administration, liquidation, and disposition of vested German and Japanese properties."

Section 39 of the Trading With the Enemy Act of 1917, as amended, was added to that act by section 12 of the War Claims Act of 1948 (62 Stat. 1240, 50 U. S. C. App. 2001 et seq.) as amended, and provides in pertinent part:

"No property of interest therein of Germany, Japan, or any national of either such country vested in or transferred to any officer or agency of the Government at any time after December 17, 1941, pursuant to the provisions of this Act, shall be returned to former owners thereof or their successors in interest, and the United States shall not pay compensation for any such property or interest therein. The net proceeds remaining upon the completion of administration, liquidation, and disposition pursuant to the provisions of this Act of any such property or interest therein shall be covered into the Treasury at the earliest practicable date. Nothing in this section shall be construed to repeal or otherwise affect the operation of the provisions of section 32 of this Act or of the Philippine Property Act of 1946."

Section 13 (a) of the War Claims Act of 1948 provides:

"There is hereby created on the books of the Treasury of the United States a trust fund to be known as the War Claims Fund. The War Claims Fund shall consist of all sums covered into the Treasury pursuant to the provisions of section 39 of the Trading With the Enemy Act of October 6, 1917, as amended. The moneys in such fund shall be available for expenditure only as provided in this Act or as may be provided hereafter by the Congress."

The War Claims Act of 1948 further provides that moneys in the War Claims Fund shall be available for payment of several categories of claims as follows:

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## 4 PAYMENT OF CERTAIN PRISONER OF WAR CLAIMS

(1) Claims for wages due certain employees of contractors with the United States for the period during which they were missing from their employment due to the belligerent action of, or detention by, the enemy (sec. 4 (a)).

(2) Claims for the reimbursement to the contract employees mentioned above, of moneys paid by them in settlement of loans extended by the Department of State for the purpose of paying expenses of repatriation and other items (sec. 4 (b) (2)).

(3) The reimbursement to the Department of State of the amount of the unpaid loans, described in (2) above and section 13 (d).

(4) Claims for detention benefits of American civilian citizens who were interned by, or went into hiding to avoid capture by, the Japanese at certain designated places in the Pacific (sec. 5 (a) to (e)).

(5) Claims for injury, disability, or death sustained by persons described in (4) above, while detained by, or in hiding from the Japanese (sec. 5 (f)).

(6) Claims of members of the Armed Forces of the United States who were held prisoner of war by any government during World War II, for the failure of the enemy to provide them a quantity and quality of food as required by the Geneva Convention of July 27, 1929 (sec. 6 (a) to (c)).

(7) Claims of certain religious organizations in the Philippines, affiliated with religious organizations in the United States, for reimbursement of relief furnished by them in the Philippines to members of the Armed Forces of the United States and to American civilian citizens during World War II (sec. 7).

The claims described in (1), (2), and (5) above are administered by the Bureau of Employees' Compensation, Department of Labor, these described in (4), (6), and (7) above are administered by the War Claims Commission.

On April 9, 1952, Public Law 303, 82d Congress, was approved. This act amended the War Claims Act of 1948 to provide for the recognition of two additional categories of claims, both payable out of the War Claims Fund, namely: (1) claims of members of the Armed Forces of the United States who were detained by the enemy during World War II for the violation of their rights under the Geneva Convention with respect to humane treatment and with respect to work performed by them, and (2) claims of religious organizations in the Philippines, affiliated with religious organizations in the United States for postwar replacement cost of their property in the Philippines used in connection with their educational, medical, or welfare work. These claims are adjudicated by the War Claims Commission.

Following the activation of the War Claims Commission in September 1949 the Commission estimated that the sum of approximately \$150 million would be required to pay claims authorized by Public Law 896, 80th Congress, and the administrative expenses connected therewith. The Custodian of Alien Property pointed out that section 39 of the Trading With the Enemy Act authorizes the covering into the Treasury only the net proceeds of vested property remaining upon the completion of administration, liquidation, and disposition pursuant to the provisions of the Trading With the Enemy Act of 1917, as amended. He further stated that a reasonable construction of section 39 would prevent covering into the Treasury of any sum except the proceeds of vested assets completely administered, which then were estimated to be \$25 million.

It was then determined that since pursuant to section 5 (b) of the Trading With the Enemy Act of 1917, as amended, the President had authority through his designate to determine the national interest of the United States in the use of the vested assets, sums might be transferred from time to time in the total amount of \$150 million to the War Claims Fund, with the understanding that the Bureau of the Budget would support remedial legislation in the event any part of the \$150 million should be needed to pay claims for return or other approved demands upon the vested property.

The Department of Justice, through the Assistant Attorney General in charge of Alien Property, with the approval of the Director, Bureau of the Budget, covered into the Treasury from time to time, upon the request of the War Claims Commission, funds in the total amount of \$150 million.

In 1952, when the bills which upon enactment became Public Law 303, 82d Congress, were under consideration by the Committee on Interstate and Foreign Commerce, House of Representatives, testimony was offered that at least \$35 million of the \$150 million available to the War Claims Fund could be applied on the cost of the pending legislation, then estimated as possibly \$108 million. Further testimony was offered that additional net proceeds of vested assets of Germany and Japan and their nationals would ultimately be \$124,800,000. This figure included \$30 million which was necessary to complete the \$150

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million deposit. This \$30 million was subsequently deposited. (P. 179, Hearings Before Committee on Interstate and Foreign Commerce, House of Representatives, 82d Cong., on bills to amend the War Claims Act and the Trading With the Enemy Act.)

As steps were taken to initiate the adjudication program pursuant to Public Law 303, 82d Congress, the War Claims Commission recognized that the Department of Justice has made no specific commitments to cover funds into the Treasury for the War Claims Fund beyond the \$150 million. The Commission considered, therefore, that sound administration required appropriate steps should be taken to secure assurance that the necessary additional funds would be available when needed to pay the new category of claims. After conferences with the pertinent officers of the Department of Justice and the Director of the Office of Alien Property, the Commission was advised that no further funds would be deposited in the War Claims Fund, except pursuant to specific congressional authorization; that moneys presently in its custody cannot be, from a strictly accounting basis, considered to be "net proceeds," and that a greater risk attaches to transferring funds from a diminishing reserve.

The Commission has been advised, however, that the cash position of the Office of Alien Property is approximately \$130 million.

The Commission has paid 61,985 claims pursuant to Public Law 303, 82d Congress, as of May 22, 1953, in the sum of \$40,541,522.63. No additional money remains available for payment of Public Law 303 claims. The above payments have been made from the \$150 million deposited and from funds not required for the payment of claims pursuant to Public Law 896, 80th Congress, prior to the act of April 9, 1952.

However, the attention of the committee is invited to the fact that payments under Public Law 303 have only been made to prisoner-of-war claims for compensation on account of inhumane treatment and compulsory labor. These claims were given priority in payment by section (g) of section 2 of Public Law 303, 82d Congress, which provides:

"The Commission shall expedite the payments under this section without reducing payment of claims of American civilian internees and prisoners of war filed before March 31, 1953, pursuant to the provisions of sections 5 and 6 of this act."

Awards have been made to religious organizations for property loss and damage in the amount of \$4,360,882.72. Payment, however, is being withheld on these awards due to the lack of sufficient funds to meet the payment of claims of civilian internees and prisoners of war.

To summarize, payment of additional claims of prisoners of war has been discontinued, and, as stated above, payment is not being made on awards to religious organizations pursuant to Public Law 303, 82d Congress.

The War Claims Commission, in view of the foregoing, recommends favorable consideration of S. 1765, 83d Congress, or legislation which would accomplish the purpose of S. 1765.

Sincerely yours,

DANIEL F. CLEARY,  
Chairman, War Claims Commission.



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Public Law 211 - 83d Congress  
 Chapter 344 - 1st Session  
 S. 2315

AN ACT

All 67 Stat. 461.

To amend section 39 of the Trading With the Enemy Act of October 6, 1917,  
 as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 39 of the Trading With the Enemy Act of October 6, 1917, as amended, is amended by inserting "(a)" after "Sec. 39." and by adding at the end thereof the following new subsection:

62 Stat. 1246.  
 50 USC app. 39.

"(b) The Attorney General is authorized and directed, immediately upon the enactment of this subsection, to cover into the Treasury of the United States, for deposit into the War Claims Fund, from property vested in or transferred to him under this Act, such sums, not to exceed \$75,000,000 in the aggregate, as may be necessary to satisfy unpaid awards heretofore or hereafter made under the War Claims Act of 1948. There is hereby authorized to be appropriated to the Attorney General such sums as may be necessary to replace the sums deposited by him pursuant to the foregoing sentence."

War Claims Fund.  
 Sums for  
 deposit.

62 Stat. 1240.  
 50 USC app.  
 2001 note.

Approved August 7, 1953.

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*2 copies sent  
Director &  
1 a. sent Hill.*

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P  
NOI83D CONGRESS  
1ST SESSION**S. 2315**

## IN THE SENATE OF THE UNITED STATES

JULY 7 (legislative day, JULY 6), 1953

Mr. DIRKSEN introduced the following bill; which was read twice and referred to the Committee on the Judiciary

**A BILL**

To authorize payment of certain war claims.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 That there are hereby authorized to be appropriated such  
 4 sums, not to exceed \$60,000,000 in the aggregate, for credit  
 5 of the War Claims Fund, established by section 13 of the  
 6 War Claims Act of 1948 (62 Stat. 1240), as amended, to  
 7 satisfy awards made under that Act.

8 SEC. 2. Notwithstanding any other provision of law to  
 9 the contrary, a sum equal to the amount expended under the  
 10 appropriation authorized by the first section of this Act, shall  
 11 be deducted from the net proceeds remaining upon com-

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1 pletion of the administration, liquidation, and disposition pur-  
 2 suant to the Trading With the Enemy Act of 1917, as  
 3 amended, of any property or interest therein. Such sum shall  
 4 be covered into the General Fund of the Treasury.

83d CONGRESS  
 1ST SESSION  
**S. 2315**

**A BILL**

To authorize payment of certain war claims.

By Mr. DIRKSEN

July 7 (legislative day, July 6), 1953  
 Read twice and referred to the Committee on the  
 Judiciary

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S. 2420 (83<sup>d</sup> Cong.) Heirless Assets  
(Hennings, Lanzer, McCarran) PL. 626



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carrying out that program. JRSO's work in Germany has commended it to the President for designation to carry out similar work in this country under Public Law 626.

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83D CONGRESS } HOUSE OF REPRESENTATIVES } REPORT  
2d Session } } No. 2451

AMENDING SECTIONS 32 AND 33 OF THE TRADING WITH THE ENEMY ACT

JULY 22, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HINSHAW, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

[To accompany S. 2420]

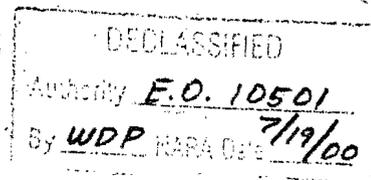
The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 2420), to amend the Trading With the Enemy Act, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

That section 32 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby further amended by adding at the end thereof the following subsection:

"(h) The President may designate one or more organizations as successors in interest to deceased persons who, if alive, would be eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a) (2) thereof. An organization so designated shall be deemed a successor in interest by operation of law for the purpose of subsection (a) (1) hereof. Return may be made, to an organization so designated, (a) before the expiration of two years from the vesting of the property or interest in question, if the President or such officer or agency as he may designate determines from all relevant facts of which he is then advised that there is no basis for reasonable doubt that the former owner is dead and is survived by no person eligible under section 32 to claim as successor in interest by inheritance, devise, or bequest; and (b) after the expiration of such time, if no claim for the return of the property or interest is pending. Total returns pursuant to this subsection shall not exceed \$3,000,000.

"No return may be made to an organization so designated unless it files notice of claim before the expiration of one year from the effective date of this Act and unless it gives firm and responsible assurance approved by the President that (i) the property or interest returned to it or the proceeds of any such property or interest will be used on the basis of need in the rehabilitation and settlement of persons in the United States who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and (D) of subsection (a) (2) hereof; (ii) it will transfer, at any time within two years from the time that return is made, such property or interest or the equivalent value thereof to any person whom the President or such officer or agency shall determine to be eligible under section 32 to claim as owner or suc-



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cessor in interest to such owner, by inheritance, devise, or bequest; (iii) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the property or interest returned to it or the proceeds of any such property or interest) and permit such examination of its books as the President or such officer or agency may from time to time require; and (iv) will not use such property or interest or the proceeds of such property or interest for legal fees, salaries, or any other administrative expenses connected with the filing of claims for or the recovery of such property or interest.

"The filing of notice of claim by an organization so designated shall not bar the payment of debt claims under section 34 of this Act.

"As used in this subsection, 'organization' means only a nonprofit charitable corporation incorporated on or before January 1, 1950, under the laws of any State of the United States or of the District of Columbia with the power to sue and be sued."

Sec. 2. The first sentence of section 33 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby amended by striking out the period at the end of such sentence, and inserting in lieu thereof a semicolon and the following: "except that return may be made to successor organizations designated pursuant to section 32 (h) hereof if notice of claim is filed before the expiration of one year from the effective date of this Act."

This proposed legislation has the approval of the Executive Office of the President, as will appear from letters dated September 23, 1953, and June 4, 1954, and the Department of State, as will appear from a letter dated June 17, 1954. These communications are printed below in this report.

#### PURPOSE

The purpose of the proposed legislation, as amended, is to authorize the President to turn over certain property to organizations designated by the President, which will use such property for the rehabilitation and resettlement in the United States of persecuted persons. The property to be so turned over is property which, prior to vesting, was owned by persecuted persons who died without heirs. Such persons or their heirs, if alive, would have been able to claim return of this property under the provisions of section 32 (a) (2) of the Trading With the Enemy Act, as amended in 1946.

The committee amendment would establish an outside limit of \$3 million with respect to the total value of property which may be turned over to the aforementioned organizations under the provisions of the proposed legislation.

#### BACKGROUND AND SUMMARY

The proposed legislation carries out already established policies of this Government. It was passed unanimously by the Senate.

Bills embodying this proposal have been considered in previous Congresses. In the 80th Congress, S. 2764 passed the Senate. S. 603 passed the Senate in the 81st Congress and was reported favorably by this committee. In the 82d Congress, S. 1748 was reported to the Senate but was not acted on prior to adjournment.

The first legislative step in the establishment of these policies was taken on August 8, 1946, when there was enacted into law an amendment to section 32 (a) (2) of the Trading With the Enemy Act providing for the return of property vested by the Alien Property Custodian where it appeared that the former owner was an individual who "was deprived of life or substantially deprived of liberty pursuant to any law, decree, or regulation \* \* \* discriminating against political, racial, or religious groups" in an enemy country.

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## AMEND THE TRADING WITH THE ENEMY ACT

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This amendment established a clear-cut distinction between the property of those persons who were in fact our enemies during the last war, and those who, as evidenced by their extreme persecution at the hands of their governments, were in fact the enemies of our enemies. It was thus made clear that the intention of the United States was not to profit from the assets of the latter class of individuals. It is now proposed to bring within this principle the property of persecuted persons who, with their heirs, were exterminated by our wartime enemies, and who are therefore not alive to receive return of their property as individuals. Such heirless property will, under the proposed legislation, be turned over to charitable organizations. These organizations, under appropriate safeguards, will thus be enabled to expend these assets for the rehabilitation and resettlement of surviving persecutees.

The proposed legislation is actively supported by several Jewish organizations—including the American Jewish Committee, the American Jewish Congress, and the Joint Distribution Committee. Under the terms of the proposed legislation, charitable organizations can apply to the President to be designated as claimants for heirless property for the purpose of resettling and rehabilitating persons who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship in any enemy country, as provided in section 32 (a) (2) of the Trading With the Enemy Act.

According to the testimony received by your committee in the course of hearings conducted during the 81st Congress on S. 603 (81st Cong.) (which bill is substantially identical with the bill S. 2420), approximately 90 percent of the heirless property which is likely to be turned over to charitable organizations to be used for resettlement and rehabilitation purposes as provided for in the proposed legislation, is of Jewish origin. An organization which plans to apply to the President for designation as successor in interest is the Jewish Restitution Successor Organization which is a charitable organization incorporated under the laws of the State of New York. This organization was appointed by General Clay, pursuant to Military Government Law No. 59, as the successor organization authorized to claim Jewish property in Germany.

The legislation is also in line with certain international commitments of the United States. On numerous occasions, the United States, together with the Allied Governments, has taken the position that the heirless assets of persecuted persons should be used for rehabilitation and resettlement of surviving persecutees. For example, the inter-Allied agreement embodied in the final act of the Paris Conference on Reparations, December 1945, specifically provided that heirless assets found in neutral countries should be used for this same purpose. (See appendix A.) A specific program for carrying out this recommendation was embodied in the Five-Power Agreement of June 1946. (See appendix B.) And in the treaties of peace with the satellite countries, provision was made for the use of the heirless assets in behalf of surviving persecutees. (See appendix C.) To all of these agreements and treaties the United States was a party, and in all of these cases the United States proposed the provisions with respect to heirless assets.

Moreover, the United States has proposed similar provisions in connection with the Austrian treaty, and such provisions have been

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included in the draft treaty. (See appendix D.) The Austrian Government has accepted this principle even in the absence of this treaty. In addition, Military Government Law No. 59 carries out this principle in the American Zone of Germany, and similar legislation exists in the British Zone of Germany. (See appendix E.) The United States is pressing for adoption of the same principle in negotiations with neutral countries, such as Switzerland.

The principle of the proposed legislation is thus in line with the clearly established policy of the United States.

## AMOUNTS INVOLVED

It is not likely that the amounts involved in the proposed legislation are large. Estimates of the property involved are difficult to make. In view of the desirability of establishing with certainty an outside limit of the amount by which the war claims fund might ultimately be diminished as a consequence of the proposed legislation, a top limit of \$3,000,000 has been suggested by interested charitable organizations. This amount, on the basis of the best available information, is estimated to be in excess of the total value of the property in the United States to which the proposed legislation will be applicable.

## PROVISIONS OF THE BILL

The extraordinary and unprecedented events of the last war, in which mass exterminations and mass burials of victims took place, bring about difficulties of proof and evidence. The proposed legislation thus deals with the problems of proof by using the approach embodied in the treaties of peace and in various European legislative enactments. It is thus presumed that, if a persecutee or his heir has not claimed the property formerly owned by such persecutee within 2 years of its vesting, the property may be turned over to a "successor organization." Where a claim is made by such an organization before the expiration of 2 years from the vesting of the property, an affirmative showing will be required to establish that there is no reasonable doubt that the former owner is dead and that he is not survived by eligible heirs or successors.

The proposed legislation contains provisions to safeguard the interest of the former owner and to save the United States harmless from any possible liability. It also contains the requirement that the assets released to the successor organization will be used for the benefit of surviving persecutees as that term is defined in section 32 (a) (2) (C) and (D) of the Trading with the Enemy Act, as amended. In addition, to be eligible, a successor organization must be designated by the President, and must undertake to furnish annual reports to the President, with a copy to the Congress. Its books must be available for such examination as the President or an appropriate officer or agency of the United States may from time to time require.

Finally, the proposal includes suggested technical, conforming changes in section 33 of the Trading With the Enemy Act which will be necessitated in the event of successful passage of the principal proposal for section 32.

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## AMEND THE TRADING WITH THE ENEMY ACT

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## DIFFERENCES BETWEEN COMMITTEE AMENDMENT AND BILL AS PASSED BY SENATE

The principal differences between the committee amendment to S. 2420 and the bill as passed by the Senate are as follows:

1. The committee amendment reinstates the ceiling of \$3 million contained in the bill as originally introduced. This ceiling was removed in the bill as it passed the Senate, and it has been reinstated in order to establish an outside limit of the amount of vested property which would be turned over to successor organizations pursuant to the provisions of this legislation.

2. Under the committee amendment heirless property which formerly belonged to persecutees as defined in section 32 (a) (2) (C) and (D) will be generally available for the purpose of rehabilitation and settlement of surviving persecutees. Under the bill as passed by the Senate, the property was to be distributed to charitable organizations for the purpose of rehabilitation and settlement of surviving persecutees of particular political, racial, or religious groups to which the decedent had belonged.

3. The committee amendment makes clear that the property turned over to successor organizations shall be used for rehabilitation and settlement of persecutees "on the basis of need." No comparable provision was contained in the bill passed by the Senate.

4. The committee amendment makes it also clear that the expenditure with respect to rehabilitation and settlement of persons must be made in the United States. No comparable provision was contained in the bill passed by the Senate. In view of the limited amount of property available and the demonstrated existence of needy surviving persecutees in the United States, the committee felt that this would be a reasonable limitation to be placed on the transfer of heirless property in the United States.

5. The committee amendment provides specifically that no property or interests turned over to successor organizations shall be used for legal fees, salaries, or any other administrative expenses connected with the filing of claims for, or the recovery of, such property or interests. No comparable restriction was contained in the bill as passed by the Senate.

6. The committee amendment modifies the definition of "organization" (successor organization) by requiring that such nonprofit charitable organization must have been incorporated on or before January 1, 1950. This requirement was inserted in order to prevent fly-by-night organizations from taking advantage of this legislation. No comparable cutoff date with respect to qualified organizations was contained in the bill as passed by the Senate.

## AGENCY COMMENTS

EXECUTIVE OFFICE OF THE PRESIDENT,  
 BUREAU OF THE BUDGET,  
 Washington 25, D. C., June 4, 1954.

HON. CHARLES A. WOLVERTON,  
 Chairman, Committee on Interstate and Foreign Commerce,  
 House Office Building, Washington 25, D. C.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of May 20, 1954, requesting a report and comments on S. 2420, a bill to amend section 32 of the Trading With the Enemy Act, as amended.

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As you know, this bill has the same purpose as the bills, H. R. 5952 and H. R. 5675, with respect to which this office wrote the committee a letter dated September 23, 1953, recommending favorable consideration.

For the reasons given in our earlier letter we recommend that, since it has passed the Senate, your committee now give favorable consideration to S. 2420.

Sincerely yours,

HAROLD PEARSON,  
 Assistant Director.

EXECUTIVE OFFICE OF THE PRESIDENT,  
 BUREAU OF THE BUDGET,  
 Washington 25, D. C., September 23, 1953.

HON. CHARLES A. WOLVERTON,  
 Chairman, Committee on Interstate and Foreign Commerce,  
 House of Representatives, Washington 25, D. C.

MY DEAR MR. CHAIRMAN: This is in reply to your letters of June 12 and 30, 1953, requesting the views of this office on H. R. 5675 and H. R. 5952, respectively, identical bills entitled "To amend section 32 of the Trading With The Enemy Act, as amended, with reference to the designation of organizations as successors in interest to deceased persons."

These bills would make available to certain organizations aiding the rehabilitation and resettlement of persecuted persons the vested property of deceased heirless persecuted persons who would be eligible for the return of their property under the Trading With the Enemy Act if they were still alive.

As you know, the State Department has submitted reports on these bills to your committee. These reports were reviewed and concurred in by this office prior to their transmission.

Accordingly, for the reasons set out in the above reports, the Bureau of the Budget recommends that either H. R. 5675 or H. R. 5952 be given favorable consideration.

Sincerely yours,

ROWLAND HUGHES,  
 Deputy Director.

DEPARTMENT OF STATE,  
 Washington 25, D. C., June 17, 1954.

HON. CHARLES A. WOLVERTON,  
 Chairman, Committee on Interstate and Foreign Commerce,  
 House of Representatives.

DEAR MR. WOLVERTON: Reference is made to your letter of May 20, 1954, requesting the views of this Department concerning S. 2420 to amend section 32 of the Trading With the Enemy Act.

The purpose of S. 2420 is to enable the Government to return property which was vested from persecuted persons (not known to be such at the time of vesting), who have died without heirs, to organizations designated by the President which will use the property for the rehabilitation and resettlement of persecuted persons. Persecuted persons who are alive, or their heirs if they are dead, may presently receive returns of vested property pursuant to Public Laws 322 and 671, 79th Congress (sec. 32 of the Trading With the Enemy Act). This policy was adopted because this Government has no desire to use for its own purposes; i. e., as reparation, or to pay American war claims, the assets of persons who were themselves the victims of our enemies in World War II. It appears to this Department that the most appropriate course is to turn over the heirless assets of persecuted persons to organizations which will devote such assets to the rehabilitation and resettlement of those persecuted persons who are still alive.

Such action on the part of this Government would be consistent with, and in aid of, the provisions of the Paris Reparations Agreement of 1946. Article 8 of that agreement provides as follows:

"ARTICLE 8. ALLOCATION OF A REPARATION SHARE TO NONREPATRIABLE VICTIMS OF GERMAN ACTION

"In recognition of the fact that large numbers of persons have suffered heavily at the hands of the Nazis and now stand in dire need to promote their rehabilitation but will be unable to claim the assistance of any government receiving reparation from Germany, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia, and Yugoslavia, in consultation

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with the Inter-Governmental Committee on Refugees, shall as soon as possible work out in common agreement a plan on the following general lines:

"A. A share of reparation consisting of all the nonmonetary gold found by the Allied Armed Forces in Germany and in addition a sum not exceeding \$25,000,000 shall be allocated for the rehabilitation and resettlement of nonrepatriable victims of German action.

"B. The sum of \$25,000,000 shall be met from a portion of the proceeds of German assets in neutral countries which are available for reparation.

"C. Governments of neutral countries shall be requested to make available for this purpose (in addition to the sum of \$25,000,000) assets in such countries of victims of Nazi action who have since died and left no heirs.

"D. The persons eligible for aid under the plan in question shall be restricted to true victims of Nazi persecution and to their immediate families and dependents, in the following classes:

"(i) Refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions;

"(ii) German and Austrian nationals now resident in Germany or Austria in exceptional cases in which it is reasonable on grounds of humanity to assist such persons to emigrate and providing they emigrate to other countries within a reasonable period;

"(iii) Nationals of countries formerly occupied by the Germans who cannot be repatriated or are not in a position to be repatriated within a reasonable time. In order to concentrate aid on the most needy and deserving refugees and to exclude persons whose loyalty to the United Nations is or was doubtful, aid shall be restricted to nationals or former nationals of previously occupied countries who were victims of Nazi concentration camps or of concentration camps established by regimes under Nazi influence but not including persons who have been confined only in prisoner-of-war camps.

"E. The sums made available under paragraphs A and B above shall be administered by the Inter-Governmental Committee on Refugees or by a United Nations agency to which appropriate functions of the Inter-Governmental Committee may in the future be transferred. The sums made available under paragraph C above shall be administered for the general purposes referred to in this article under a program of administration to be formulated by the five Governments named above.

"F. The nonmonetary gold found in Germany shall be placed at the disposal of the Inter-Governmental Committee on Refugees as soon as a plan has been worked out as provided above.

"G. The Inter-Governmental Committee on Refugees shall have power to carry out the purposes of the fund through appropriate public and private field organizations.

"H. The fund shall be used, not for the compensation of individual victims, but to further the rehabilitation or resettlement of persons in the eligible classes.

"I. Nothing in this article shall be considered to prejudice the claims which individual refugees may have against a future German Government, except to the amount of the benefits that such refugees may have received from the sources referred to in paragraphs A and C above."

It is the opinion of this Department that the enactment of S. 2420 is highly desirable as an aid in carrying out the foreign policy of the United States.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

THRUSTON B. MORTON,  
 Assistant Secretary  
 (For the Secretary of State).

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APPENDIX A

(Pertinent Excerpts from the Final Act and Annex of the Paris Conference on Reparations)

ARTICLE 8. ALLOCATION OF A REPARATION SHARE TO NONREPATRIABLE VICTIMS OF GERMAN ACTION

In recognition of the fact that large numbers of persons have suffered heavily at the hands of the Nazis and now stand in dire need of aid to promote their rehabilitation but will be unable to claim the assistance of any government receiving reparation from Germany, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia, and Yugoslavia, in consultation with the Inter-Governmental Committee on Refugees, shall as soon as possible work out in common agreement a plan on the following general lines:

A. A share or reparation consisting of all the nonmonetary gold found by the Allied Armed Forces in Germany and in addition a sum not exceeding 25 million dollars shall be allocated for the rehabilitation and resettlement of nonrepatriable victims of German action.

B. The sum of 25 million dollars shall be met from a part of the proceeds of German assets in neutral countries which are available for reparation.

C. Governments of neutral countries shall be requested to make available for this purpose "in addition to the sum of 25 million dollars" assets in such countries of victims of Nazi action who have since died and left no heirs. [Emphasis supplied.]

D. The persons eligible for aid under the plan in question shall be restricted to true victims of Nazi persecution and to their immediate families and dependents, in the following classes:

1. Refugees from Nazi Germany or Austria who require aid and cannot be returned to their countries within a reasonable time because of prevailing conditions:

2. German and Austrian nationals now resident in Germany or Austria in exceptional cases in which it is reasonable on grounds of humanity to assist such persons to emigrate, and providing they emigrate to other countries within a reasonable period.

3. Nationals of countries formerly occupied by the Germans who cannot be repatriated or are not in a position to be repatriated within a reasonable time. In order to concentrate aid on the most needy and deserving refugees and to exclude persons whose loyalty to the United Nations is or was doubtful, aid shall be restricted to nationals or former nationals of previously occupied countries who were victims of Nazi concentration camps or of concentration camps established by regimes under Nazi influence but not including persons who have been confined only in prisoners-of-war camps.

APPENDIX B

(Pertinent Excerpts from the Five Power Agreement of June 1946)

ANNEX II: AGREEMENT ON A PLAN FOR ALLOCATION OF A REPARATION SHARE TO NONREPATRIABLE VICTIMS OF GERMAN ACTION

In accordance with the provisions of Article 8 of the Final Act of the Paris Conference on Reparation, the Governments of the United States of America, France, the United Kingdom, Czechoslovakia, and Yugoslavia, in consultation with the Intergovernmental Committee on Refugees, have worked out, in common agreement, the following plan to aid in the rehabilitation and resettlement of nonrepatriable victims of German action. In working out this plan the signatory Powers have been guided by the intent of Article 8, and the procedures outlined below are based on its terms:

A. It is the unanimous and considered opinion of the Five Powers that in light of Paragraph H of Article 8 of the Paris Agreement on Reparation, the assets becoming available should be used not for the compensation of individual victims but for the rehabilitation and resettlement of persons in eligible classes, and that expenditures on rehabilitation shall be considered as essential preparatory outlays to resettlement. Since all available statistics indicate beyond any reasonable doubt that the overwhelming majority of eligible persons under the provisions

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of Article 8 are Jewish, all assets except as specified in Paragraph B below are allocated for the rehabilitation and resettlement of eligible Jewish victims of Nazi action, among whom children should receive preferential assistance. Eligible Jewish victims of Nazi action are either refugees from Germany or Austria who do not desire to return to these countries, or German and Austrian Jews now resident in Germany or Austria who desire to emigrate, or Jews who were nationals or former nationals of previously occupied countries and who were victims of Nazi concentration camps or concentration camps established by regimes under Nazi influence.

\* \* \* \* \*

E. Furthermore, pursuant to Paragraphs C and E of Article 8, in the interest of justice the French Government on behalf of the Five Governments concluding this Agreement are making representations to the neutral Powers to make available all assets of victims of Nazi action who died without heirs. The Governments of the United States of America, the United Kingdom, Czechoslovakia, and Yugoslavia are associating themselves with the French Government in making such representations to the neutral Powers. The conclusion that ninety-five percent of the "heirless funds" thus made available should be allocated for the rehabilitation and resettlement of Jewish victims takes cognizance of the fact that these funds are overwhelmingly Jewish in origin, and the five percent made available for non-Jewish victims is based upon a liberal presumption of "heirless funds" non-Jewish in origin. The "heirless funds" to be used for the rehabilitation and resettlement of Jewish victims of Nazi action should be made available to appropriate field organizations. The "heirless funds" to be used for the rehabilitation and resettlement of non-Jewish victims of Nazi action should be made available to the Intergovernmental Committee on Refugees or its successor organization for distribution to appropriate public and private field organizations. In making these joint representations, the signatories are requesting the neutral countries to take all necessary action to facilitate the identification, collection, and distribution of these assets which have arisen out of a unique condition in international law and morality.

If further representations are indicated the Governments of the United States of America, France, and the United Kingdom will pursue the matter on behalf of the Signatory Powers.

## APPENDIX C

(Excerpts from the Peace Treaties Signed with Roumania and Hungary)

"All property, rights, and interests in Roumania of persons, organizations or communities which, individually or as members of groups, were the object of racial, religious or other Fascist measures of persecution, and remaining heirless or unclaimed for six months after the coming into force of the present Treaty, shall be transferred by the Roumanian Government to organizations in Roumania representative of such persons, organizations or communities. The property transferred shall be used by such organizations for purposes of relief and rehabilitation of surviving members of such groups, organizations and communities in Roumania. Such transfer shall be effected within twelve months from the coming into force of the Treaty, and shall include property, rights and interests required to be restored under paragraph 1 of this Article."

## APPENDIX D

(Excerpts from the Proposed Drafts Submitted by the Four Allied Powers Participating in the Austrian Peace Treaty Negotiations)

## Section II

Article 44. *Property, Rights, and Interests of Minority Groups in Austria.*

\* \* \* \* \*

(Proposal of the United States)

2. Austria agrees to seek out and obtain control of all property, legal rights, and interests in Austria of persons, organizations, or communities which, individually or as members of groups, were the object of racial, religious, or other persecution by the Axis Powers if, in the case of persons such property, rights and interests

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remain heirless and unclaimed for six months after the coming into force of the present Treaty, or in the case of organizations and communities, such organizations or communities have ceased substantially to exist. Austria shall transfer such property, rights, and interests to appropriate organizations to be designated by the four Heads of Missions in Vienna in consultation with the Austrian Government to be used for the relief and rehabilitation of victims of persecution by the Axis Powers. Such transfer shall be effected within twelve months from the coming into force of the Treaty, and shall include property, rights, and interests required to be restored under paragraph 2 of this Article (2).

(Proposal of the United Kingdom, France and the U. S. S. R.)

2. All property, rights, and interests in Austria of persons, organizations, or communities which, individually or as members of groups were the object of racial, religious, or other (national socialist) (Fascist) measures of persecution, and remaining heirless or unclaimed for six months from the coming into force of the present Treaty, shall be transferred by the Austrian Government to organizations in Austria representative of such persons, organizations, or communities. The property transferred shall be used by such organizations for the purposes of relief and rehabilitation of surviving members of such groups, organizations, and communities in Austria. Such transfer shall be effected within twelve months from the coming into force of the Treaty and shall include property, rights, and interests required to be restored under paragraph 1 of this Article (1).

APPENDIX E

(Excerpts from Military Government Law No. 59. *Restitution of Identifiable Property*, U. S. Area of Control, Germany—Enacted November 10, 1947)

PART III: GENERAL PROVISIONS ON RESTITUTION

\* \* \* \* \*

ARTICLE 10. SUCCESSOR ORGANIZATION AS HEIR TO PERSECUTED PERSONS

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 subdivisions 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 11. SPECIAL RIGHTS OF SUCCESSOR ORGANIZATIONS

1. If within six months after the effective date of this law no petition for restitution has been filed with respect to confiscated property, a successor organization appointed pursuant to Article 10 may file such a petition on or before 31 December 1948 and apply for all measures necessary to safeguard the property.

2. If the claimant himself has not filed a petition on or before 31 December 1948, the successor organization by virtue of filing the petition shall acquire the legal position of the claimant. Only after that date, and not prior thereto, shall it be entitled to prosecute the claim.

\* \* \* \* \*

ARTICLE 13. DESIGNATION OF SUCCESSOR ORGANIZATIONS

Regulations to be issued by Military Government will provide for the manner of appointment of successor organizations, their obligations to their persecutee charges, and any further rights or obligations they may have under Military Government or German law.

PART VIII: GENERAL RULES OF PROCEDURE

\* \* \* \* \*

ARTICLE 51. PRESUMPTION OF DEATH

Any persecuted person, whose last-known residence was in Germany or a country under the jurisdiction of or occupied by Germany or its allies and as to whose whereabouts or continued life after 8 May 1945 no information is available, shall

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be presumed to have died on 8 May 1945; however, if it appears probable that such a person died on a date other than 8 May, the Restitution Authorities may deem such other date to be the date of death.

## CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as passed by the Senate, are shown as follows (new matter is printed in italics, existing law in which no change is proposed is shown in roman):

## TRADING WITH THE ENEMY ACT, AS AMENDED

SEC. 32. (a) The President, or such officer or agency as he may designate, may return any property or interest vested in or transferred to the Alien Property Custodian (other than any property or interest acquired by the United States prior to December 18, 1941), or the net proceeds thereof, whenever the President or such officer or agency shall determine—

- (1) that the person who has filed a notice of claim for return, in such form as the President or such officer or agency may prescribe, was the owner of such property or interest immediately prior to its vesting in or transfer to the Alien Property Custodian, or is the legal representative (whether or not appointed by a court in the United States), or successor in interest by inheritance, devise, bequest, or operation of law, of such owner; and
- (2) that such owner, and legal representative or successor in interest, if any, are not—

(A) the Government of Germany, Japan, Bulgaria, Hungary, or Rumania; or

(B) a corporation or association organized under the laws of such nation: *Provided*, That any property or interest or proceeds which, but for the provisions of this subdivision (B), might be returned under this section to any such corporation or association, may be returned to the owner or owners of all the stock of such corporation or of all the proprietary and beneficial interest in such association, if their ownership of such stock or proprietary and beneficial interest existed immediately prior to vesting in or transfer to the Alien Property Custodian and continuously thereafter to the date of such return (without regard to purported divestments or limitations of such ownership by any government referred to in subdivision (A) hereof) and if such ownership was by one or more citizens of the United States or by one or more corporations organized under the laws of the United States or any State, Territory, or possession thereof, or the District of Columbia: *Provided further*, That such owner or owners shall succeed to those obligations limited in aggregate amount to the value of such property or interest or proceeds, which are lawfully assertible against the corporation or association by persons not ineligible to receive a return under this section; or

(C) an individual voluntarily resident at any time since December 7, 1941, within the territory of such nation, other than a citizen of the United States or diplomatic or consular officer of Italy or of any nation with which the United States has not at any time since December 7, 1941, been at war: *Provided*, That an individual who, while in the territory of a nation with which the United States has at any time since December 7, 1941, been at war, was deprived of life or substantially deprived of liberty pursuant to any law, decree, or regulation of such nation discriminating against political, racial, or religious groups, shall not be deemed to have voluntarily resided in such territory; or

(D) an individual who was at any time after December 7, 1941, a citizen or subject of Germany, Japan, Bulgaria, Hungary, or Rumania, and who on or after December 7, 1941, and prior to the date of the enactment of this section, was present (other than in the service of the United States) in the territory of such nation or in any territory occupied by the military or naval forces thereof or engaged in any business in any such territory: *Provided*, That notwithstanding the provisions of this subdivision (D) return may be made to an individual who, as a consequence of any law, decree, or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial, or religious groups, has at no time between December 7, 1941, and the time

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when such law, decree, or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation: *And provided further*, That, notwithstanding the provisions of subdivision (C) hereof and of this subdivision (D), return may be made to an individual who at all times since December 7, 1941, was a citizen of the United States, or to an individual who, having lost United States citizenship solely by reason of marriage to a citizen or subject of a foreign country, reacquired such citizenship prior to the date of enactment of this proviso if such individual would have been a citizen of the United States at all times since December 7, 1941; but for such marriage: *And provided further*, That the aggregate book value of returns made pursuant to the foregoing proviso shall not exceed \$9,000,000; and any return under such proviso may be made if the book value of any such return, taken together with the aggregate book value of returns already made under such proviso does not exceed \$9,000,000; and for the purposes of this proviso the term "book value" means the value, as of the time of vesting, entered on the books of the Alien Property Custodian for the purpose of accounting for the property or interest involved; or

(E) a foreign corporation or association which at any time after December 7, 1941, was controlled or 50 per centum or more of the stock of which was owned by any person or persons ineligible to receive a return under subdivisions (A), (B), (C), or (D) hereof: *Provided*, That notwithstanding the provisions of this subdivision (E), return may be made to a corporation or association so controlled or owned, if such corporation or association was organized under the laws of a nation any of whose territory was occupied by the military or naval forces of any nation with which the United States has at any time since December 7, 1941, been at war, and if such control or ownership arose after March 1, 1938, as an incident to such occupation and was terminated prior to the enactment of this section;

and

(3) that the property or interest claimed, or the net proceeds of which are claimed, was not at any time after September 1, 1939, held or used, by or with the assent of the person who was the owner thereof immediately prior to vesting in or transfer to the Alien Property Custodian, pursuant to any arrangement to conceal any property or interest within the United States of any person, ineligible to receive a return under subsection (a) (2) hereof;

(4) that the Alien Property Custodian has no actual or potential liability under the Renegotiation Act or the Act of October 31, 1942 (56 Stat. 1013; 35 U. S. C. 89-96), in respect of the property or interest or proceeds to be returned and that the claimant and his predecessor in interest, if any, have no actual or potential liability of any kind under the Renegotiation Act or the said Act of October 31, 1942; or in the alternative that the claimant has provided security or undertakings adequate to assure satisfaction of all such liabilities or that property or interest or proceeds to be retained by the Alien Property Custodian are adequate therefor; and

(5) that such return is in the interest of the United States.

(h) *The President may designate one or more organizations as successors in interest to deceased persons who, if alive, would be eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a) (2) thereof. An organization so designated shall be deemed a successor in interest by operation of law for the purpose of subsection (a) (1) hereof. Return may be made, to an organization so designated, (a) before the expiration of two years from the vesting of the property or interest in question, if the President or such officer or agency as he may designate determines from all relevant facts of which he is then advised that there is no basis for reasonable doubt that the former owner is dead and is survived by no person eligible under section 32 to claim as successor in interest by inheritance, devise, or bequest; and (b) after the expiration of such time, if no claim for the return of the property or interest is pending.*

*No return may be made to an organization so designated unless it files notice of claim before the expiration of one year from the effective date of this Act and unless it gives firm and responsible assurance approved by the President that (i) it will use the property or interest returned to it or the proceeds of any such property or interest for use directly in the rehabilitation and settlement of persons who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and (D) of subsection (a) (2) hereof, by reason of their membership in the particular political, racial, or religious group of which the former owner was a*

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member and by reason of membership in which such former owner so suffered such deprivation of liberty or so failed to enjoy such rights; (ii) it will transfer, at any time within two years from the time that return is made, such property or interest or the equivalent value thereof to any person whom the President or such officer or agency shall determine to be eligible under section 32 to claim as owner or successor in interest to such owner, by inheritance, devise, or bequest; and (iii) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the property or interest returned to it or the proceeds of any such property or interest) and permit such examination of its books as the President or such officer or agency may from time to time require.

The filing of notice of claim by an organization so designated shall not bar the payment of debt claims under section 34 of this Act.

As used in this subsection, "organization" means only a nonprofit charitable corporation incorporated under the laws of any State of the United States or of the District of Columbia with the power to sue and be sued.

Sec. 33. No return may be made pursuant to section 9 or 32 unless notice of claim has been filed: (a) in the case of any property or interest acquired by the United States prior to December 18, 1941, by August 9, 1948; or (b) in the case of any property or interest acquired by the United States or after December 18, 1941, not later than one year from the enactment of this amendment, or two years from the vesting of the property or interest in respect of which the claim is made, whichever is later; except that return may be made to successor organizations designated pursuant to section 32 (h) hereof if notice of claim is filed before the expiration of one year from the effective date of this Act. No suit pursuant to section 9 may be instituted after April 30, 1949, or after the expiration of two years from the date of the seizure by or vesting in the Alien Property Custodian, as the case may be, of the property or interest in respect of which relief is sought, whichever is later, but in computing such two years there shall be excluded any period during which there was pending a suit or claim for return pursuant to section 9 or 32 (a) hereof.

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### MINORITY VIEWS

The undersigned desire to express their separate views in opposition to the proposed legislation.

As stated in the majority report, a bill substantially identical with S. 2420 was passed by the Senate during the 80th Congress (S. 2764, 80th Cong.), and again during the 81st Congress (S. 603, 81st Cong.). In the 82d Congress a bill substantially identical with S. 2420 was reported to the Senate (S. 1748, 82d Cong.); but was not acted on prior to adjournment.

This committee favorably reported S. 603, 81st Congress. However, several of the undersigned were opposed to the bill in the form in which it was reported and appeared before the Rules Committee in opposition to the bill. The Rules Committee did not grant a rule, and no action was taken by the House on S. 603.

No hearings have been held on S. 2420 by this committee. The bill was reported by this committee after brief consideration, and insufficient opportunity was given for consideration of amendments to the bill.

The undersigned feel that more careful consideration should be given, both to the principle underlying the proposed legislation, and to the form in which the legislation comes before the House.

We do not believe the Congress should act on legislation of this magnitude without committee hearings and ample time for committee study of all phases of the problem.

JOS. P. O'HARA.  
JAMES I. DOLLIVER.  
JOHN B. BENNETT.

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Sept. 28, 1954.

The Attorney General

Dallas S. Townsend, Assistant Attorney General  
 Director, Office of Alien Property  
 Public Law 626, 83d Congress

Reference is made to my memorandum of September 20, 1954, summarizing the main provisions of Public Law 626 and advising you of the need for the designation of an organization or organizations thereunder.

I mentioned in my memorandum that the Jewish Restitution Successor Organization (JRSO) intended to apply for designation. Forwarded herewith for your information is a copy of that organization's application to the President. The applicant appears fully qualified to carry out the purposes of Public Law 626 and gives assurances that it will comply with its provisions.

You will notice from a memorandum in support of its application that JRSO requests that it be the sole organization designated to act as successor to heirless property of Jewish persecutees. The memorandum points out that "it would not be administratively feasible for more than one organization to act as a successor to a particular category of heirless or unclaimed property." I am in agreement with this statement and recommend that only one organization, whether it be JRSO or some other organization, be authorized to appear before this Office in respect of unclaimed property of Jewish origin. Similarly, only one organization should be designated to appear in respect of each additional category of unclaimed property subject to the provisions of Public Law 626.

15/  
 D. S. T.

Attachment.

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STANDARD FORM NO. 64

## Office Memorandum

OFFICE OF THE UNITED STATES GOVERNMENT

SEP 20 1954

DATE SEP 20 1954

TO: The Attorney General

FROM: Dallas S. Townsend, Assistant Attorney General  
 Director, Office of Alien Property  
 SUBJECT: Public Law 626, 83d Congress

Subdivisions (C) and (D) of section 32 (a)(2) of the Trading with the Enemy Act, as amended (50 U.S.C. App. 32 (a)(2)(C) and (D)), permit this Office to make administrative returns of vested property to persons who, although having World War II enemy status, belong to groups which were the victims of political, racial or religious persecution by enemy governments. In cases where such persons have died, returns are made to their legal representatives or successors by inheritance or testament who qualify under section 32. However, in some cases the vested property of such deceased persons is unclaimed because there are no surviving heirs or testamentary successors. Public Law 626, 83d Congress, approved August 23, 1951, (a copy of which is attached) authorizes this Office to transfer such "heirless" property to American charitable organizations to be designated by the President as successors in interest to these decedents. The designated organizations are to devote the property transferred to them to the rehabilitation and settlement, on the basis of need, of persons in the United States who are survivors of persecuted groups.

This legislation was sponsored and supported by Jewish welfare organizations. It is similar to Military Government Law 59 put into effect in the United States Zone of Germany by General Lucius Clay, whereby unclaimed property of victims of Nazi persecution was turned over to the Jewish Restitution Successor Organization for use in the relief of surviving persecuted persons. I am informed that this organization was founded under New York law by Jewish welfare groups specifically for the task of carrying out the provisions of Military Government Law 59.

It is my understanding that the Jewish Restitution Successor Organization intends to apply for designation by the President as a successor organization under Public Law 626. The American Ort Federation has indicated that it may apply. A society known as the Ezra Torah Fund (Torah Relief Society, Inc.), 132 Nassau Street, New York 38, N. Y. has already made application to the President and the application has been referred to this Office for reply by the staff secretary of the White House Office. Senator Charles E. Potter has transmitted a request by the Theological Seminary Yeshivath Chachmey Lublin, of Detroit, Michigan, for \$100,000 to meet needs for building and expansion. It should be noted that the Ezra Torah Fund and the Theological Seminary do not appear to be appropriate societies for designation under Public Law 626, since their communications reveal that they are not primarily concerned with the relief of survivors of Nazi persecution now in the United States. Other groups in addition to the four named herein may, of course, come forward.

Inasmuch as I have no information regarding the plans or wishes of the White House with respect to the designation of an organization or organizations under Public Law 626, I bring this matter to your attention.

D. S. T.

Attachment.

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SEP 3 1954

Honorable Lester Holtzman  
 House of Representatives  
 Washington 25, D. C.

Dear Congressman Holtzman:

Reference is made to your letter dated August 26, 1954, addressed to the Director of this Office and enclosing a letter to you from Mr. Arnold I. Gurvitch of 70-35 Broadway, Jackson Heights, Long Island, N. Y., requesting information of S. 2420, 83d Congress.

S. 2420 amends section 32 of the Trading with the Enemy Act (50 U.S.C. App. 32) so as to authorize the President to designate one or more relief organizations as successors to victims of Nazi persecution whose property in the United States was vested pursuant to the Trading with the Enemy Act because of their German (World War II enemy) nationality and who died without survivors eligible to claim return of such property under other provisions of section 32 of the Act. The Presidential designation will enable the organizations to file claims for return of such property in an aggregate sum not in excess of \$3,000,000. On return, the organizations will be required to devote the property to the relief and rehabilitation, within the United States, of other, surviving victims of Nazi persecution. On August 23, 1954, the President approved the bill and it is Public Law 626, 83d Congress.

There has, as yet, been no Presidential designation. In addition, after designation it will be necessary to identify the property, or its proceeds, to which claim may be made and to process the claims. Furthermore, if the property has not been liquidated time will be required to liquidate it. Since all the foregoing steps must be taken before any fund will become available for the purposes of the bill, it cannot now be said when actual application of the fund will commence.

I enclose an extra copy of this letter and, as requested, return Mr. Gurvitch's letter. If this Office can be of further assistance to you, please so inform me.

Sincerely yours,

(Signed) Paul V. Hyron  
 Paul V. Hyron  
 Deputy Director  
 Office of Alien Property

Enclosures.

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C O P Y

Arnold A. Gurwitch  
70-35 Broadway  
Jackson Heights 72, N.Y.C.

August 11, 1954

The Honorable Lester B. Holtzman  
The House of Representatives  
Washington, D.C.

Dear Sir:

I read in yesterday's newspaper that the House of Representatives has approved a bill by which some alien property seized during World War II would be transferred through philanthropic organizations to victims of Nazi persecution.

I should appreciate it very much if you could send me information on this bill and how the distribution of these assets will be handled.

My father lost his business and everything he owned through the Nazis and was deported by them to a concentration camp where they killed him. My mother, who now lives here with me, has been sick and unable to work for a living for the past years as a result of her suffering from the Nazis during the war. We have been trying for years to get for her some compensation for the persecution suffered and the property lost but without result so far.

For any information in this matter I shall be greatly obliged to you.

Very truly yours,

s/Arnold A. Gurwitch

Arnold A. Gurwitch

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STANDARD FORM NO. 64

## Office Memorandum • UNITED STATES GOVERNMENT

TO: Sidney Gross, Chief  
 Legal and Legislative Section

FROM: Oscar Shienbrood, Acting Chief  
 Legal and Legislative Section

SUBJECT: S. 2420

DATE: September 1, 1954

Roy Gootenberg of the Bureau of the Budget called me today in connection with S. 2420, the "Heirless Assets" bill. He stated that the White House had been receiving inquiries concerning the appointment or designation of organizations with which to file claims under that bill, and had inquired of the Bureau of the Budget as to the appropriate agency to which such inquiries should be referred. Mr. Gootenberg indicated that the White House had been informed that such inquiries should be referred to this Office.

I advised Mr. Gootenberg that while I was not directly familiar with the matter, it seemed unlikely that this Office should have any substantial part to play in the recommendation or designation of organizations to act under S. 2420, and that we probably would not have any interest in doing so. I advised him, however, that I would want to canvass the question further with persons in the Office who might be interested. Mr. Gootenberg stated he would also want to canvass the questions involved in S. 2420 with persons of the Bureau of the Budget who were absent at this time and would not return until after Labor Day. He requested that Mr. Lindenbaum call him in connection with S. 2420 during the week after Labor Day.

Mr. Gootenberg also was interested in the question of <sup>preparing</sup> ~~preparing~~ an appropriate Executive Order by which the actual designation would be made, but since neither of us was prepared to discuss the question knowledgeably, we agreed that it should also be postponed.

O. S.

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## PUBLIC LAW 626 - 83d Congress

## Chapter 830 - 2d Session

(S.2420)

## AN ACT

To amend section 32 of the Trading With the Enemy Act, as amended.

[68 Stat. 767] Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 32 [50 U.S.C. App. 32] of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby further amended by adding at the end thereof the following subsection:

"(h) The President may designate one or more organizations as successors in interest to deceased persons who, if alive, would be eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a)(2) thereof. An organization so designated shall be deemed a successor in interest by operation of law for the purpose of subsection (a)(1) hereof. Return may be made, to an organization so designated, (a) before the expiration of two years from the vesting of the property or interest in question, if the President or such officer or agency as he may designate determines from all relevant facts of which he is then advised that there is no basis for reasonable doubt that the former owner is dead and is survived by no person eligible under section 32 to claim as successor in interest [68 Stat. 768] by inheritance, devise, or bequest; and (b) after the expiration of such time, if no claim for the return of the property or interest is pending. Total returns pursuant to this subsection shall not exceed \$3,000,000.

"No return may be made to an organization so designated unless it files notice of claim before the expiration of one year from the effective date of this Act and unless it gives firm and responsible assurance approved by the President that (i) the property or interest returned to it or the proceeds of any such property or interest will be used on the basis of need in the rehabilitation and settlement of persons in the United States who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and (D) of subsection (a)(2) hereof; (ii) it will transfer, at any time within two years from the time that return is made, such property or interest or the equivalent value thereof to any person whom the President or such officer or agency shall determine to be eligible under Section 32 to claim as owner or successor in interest to such owner, by inheritance, devise, or bequest; (iii) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the property or interest returned to it or the proceeds of any such property or interest) and permit such examination of its books as the President or such officer or agency may from time to time require; and (iv) will not use such property or interest or the proceeds of such property or interest for legal fees, salaries or any other administrative expenses connected with the filing of claims for or the recovery of such property or interest.

"The filing of notice of claim by an organization so designated shall not bar the payment of debt claims under section 34 of this Act. [50 U.S.C. App. 34]

"As used in this subsection, 'organization' means only a nonprofit charitable corporation incorporated on or before January 1, 1950, under the laws of any State of the United States or of the District of Columbia with the power to sue and be sued."

Sec. 2. The first sentence of section 33 [50 U.S.C. App. 33] of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby amended by striking out the period at the end of such sentence, and inserting in lieu thereof a semicolon and the following: "except that return may be made to successor organizations designated pursuant to section 32 (h) hereof if notice of claim is filed before the expiration of one year from the effective date of this Act."

Approved August 23, 1954.

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Authority E.O. 10501By WDP NARA Date 7/19/00

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Office of Alien Property

WPR:FC:ARC:rm

August 16, 1954

Honorable Rowland R. Hughes  
 Director, Bureau of the Budget  
 Washington, D. C.

Dear Mr. Hughes:

In compliance with Mr. Jones' request of August 13, 1954, I have had examined a facsimile of the enrolled bill (S. 2420) "To amend section 32 of the Trading With the Enemy Act, as amended."

Section 32 of the Trading With the Enemy Act, as amended, permits the administrative return of vested property to persons who, although having World War II enemy status, belong to groups which were the victims of political, racial or religious persecution by enemy governments. In some cases the vested property of such persons is unclaimed because they died without heirs or because all their heirs themselves later died.

The bill here under consideration would permit the transfer of such "heirless" vested property to American charitable organizations designated by the President. The bill provides that a designated organization would be in the position of a successor in interest of the former owner. The organization would receive the property for the purpose of devoting it, on the basis of need, to the rehabilitation and settlement of persons in the United States who are survivors of the persecuted groups. The total amount of property to be turned over to designated organizations under this bill would be limited to a maximum of \$1,000,000.

The Department of Justice interposes no objection to the approval of the bill.

Sincerely,

WILLIAM P. ROGERS

William P. Rogers  
 Deputy Attorney General

cc: Attorney General  
 Office of Alien Property

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*Lindenberg*

SG:SL:isjc

AUG 16 1954

William P. Rogers  
 Deputy Attorney General  
 Paul V. Myron  
 Deputy Director, Office of Alien Property  
 S. 2420 (Enrolled Bill)

This is in response to your request for the views of this Office concerning the enrolled bill S. 2420 "To amend section 32 of the Trading with the Enemy Act, as amended."

Section 32 of the Trading with the Enemy Act, as amended, permits the administrative return of vested property to persons who, although having World War II enemy status, belong to groups which were the victims of political, racial or religious persecution by enemy governments. In some cases the vested property of such persons is unclaimed because they died without heirs or because all their heirs themselves later died. S. 2420 would permit the transfer of such "heirless" vested property to American charitable organizations designated by the President. The bill provides that a designated organization would be in the position of a successor in interest of the former owner. The organization would receive the property for the purpose of devoting it, on the basis of need, to the rehabilitation and settlement of persons in the United States who are survivors of the persecuted groups. The total amount of property to be turned over to designated organizations under this bill would be limited to a maximum of \$3,000,000.

S. 2420, as originally introduced, was identical with H.R. 5675. By memorandum dated September 22, 1953, this Office recommended that the Department support H.R. 5675. However, in its report of November 30, 1953, to the House Interstate & Foreign Commerce Committee, the Department stated that H.R. 5675 involved a question of legislative policy and refrained from making a recommendation on the bill.

The enrolled bill differs in a few particulars from H.R. 5675. The most important difference is the addition to the enrolled bill of a requirement that persons to be benefited by the designated organizations must be in the United States. Another new provision in the enrolled bill would prohibit the expenditure by the organizations of any assets turned over to them for legal fees, salaries or any other administrative expenses connected with the filing of claims for, or the recovery of, such assets.

This Office renews its prior approval of this legislation and recommends that the Department express approval thereof to the Bureau of the Budget.

As requested, the attachments to your memorandum are returned herewith.

(Signed) Paul V. Myron

P. V. M.

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From

**THE DEPUTY ATTORNEY GENERAL**

to

Official indicated below by check mark

The Attorney General	
The Solicitor General	
Assistant Attorney General, Antitrust	
Assistant Attorney General, Tax	
Assistant Attorney General, Civil	
Assistant Attorney General, Lands	
Assistant Attorney General, Criminal	
Assistant Attorney General, Legal Counsel	
Assistant Attorney General, Alien Property	X
Assistant Attorney General, Internal Security	
Administrative Assistant Attorney General	
Director, F. B. I.	
Director, Bureau of Prisons	
Commissioner, Immig. and Naturalization	
Pardon Attorney	
Parole Board	
Board of Immigration Appeals	
Executive Assistant to the Attorney General	
Director, Public Information	
Records Administration Branch	

**MEMORANDUM**

August 16, 1954

Mr. Dallas S. Townsend  
 Assistant Attorney General

The attached facsimile of the Enrolled Bill, designated below, has been received from the Bureau of the Budget by the Attorney General. He is requested to advise the Budget, within 48 hours, whether this bill should receive Executive approval.

Will you please furnish us a memorandum of your views upon which to base a reply to the Budget, with due regard to the necessity for an early reply?

Please return all attachments with your memorandum by special messenger direct to Frank Chambers, Room 4115, Office of the Deputy Attorney General.

*FC*

Frank Chambers.

S. 2420 "To amend section 32 of the Trading With the Enemy Act, as amended."

REPRODUCED AT THE NATIONAL ARCHIVES

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By WDP NARA Date 7/19/00

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**Important—Enrolled Bill**

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STANDARD FORM NO. 64

*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Colonel Townsend

DATE: October 15, 1954

FROM : H. G. McCarthy

SUBJECT:

In accordance with your memorandum of October 14 we have requested and received from Mr. Rabb at the White House the Jewish Restitution Successor Organization's application, which is attached hereto.

I talked with Mr. Rabb about this today and suggested that he call you about it. He said he would call you later today.

*H.M.*

Attachment

DECLASSIFIED	RG <u>131</u>
Authority <u>E.O. 10501</u>	Entry <u>Directors Congres</u> <u>File 1953-58</u>
By <u>WDP</u> NARA Date <u>7/19/00</u>	File <u>5.2420</u>
	Box <u>280</u>

September 23, 1954

The Honorable  
Dwight D. Eisenhower,  
The White House,  
Washington, D. C.

My dear Mr. President:

I have the honor to enclose herewith, on behalf of the Jewish Restitution Successor Organization, and pursuant to the terms of Public Law 626, 83rd Congress, the application of the Jewish Restitution Successor Organization for designation as a successor organization under the above-mentioned law.

Respectfully yours,

Seymour J. Rubin

Enclosure

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 By WDP NARA Date 7/19/00

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Application for Designation as Successor Organization

Pursuant to the terms of Public Law 626, 83rd Congress, the Jewish Restitution Successor Organization hereby applies for designation by the President as a successor organization for heirless and unclaimed property of persons as hereinafter described who would be eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a)(2) of section 32 of the Trading with the Enemy Act, as amended.

1. Nature and Background of Jewish Restitution Successor Organization

The Jewish Restitution Successor Organization is a charitable membership organization, incorporated under the laws of the State of New York. The Jewish Restitution Successor Organization was incorporated, under the name of the Jewish Restitution Commission, pursuant to certificate of incorporation filed in the office of the Secretary of State of New York on the 15th day of May 1947. Its name was changed to the Jewish Restitution Successor Organization pursuant to certificate executed on the 29th day of July 1948.

Attached hereto are copies of the certificate of incorporation of the Jewish Restitution Commission and of a certificate of change of name.

As stated in the certificate of incorporation, the Jewish Restitution Successor Organization was founded primarily "To assist, aid, help, act for and on behalf of, and as successor to, Jewish persons, organizations, cultural and charitable funds and foundations, and communities, which were victims of Nazi or Fascist persecution and discrimination, in all matters relating to claims for the restitution of property and property rights of every nature and description, and for

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compensation and indemnification arising out of loss or damage suffered by them in consequence of such persecution and discrimination; and in connection with the foregoing to discover, claim, acquire, receive, hold, maintain, manage, administer, hire, liquidate, and otherwise dispose of property and property rights of every nature and description for the benefit of victims of Nazi or Fascist persecution or discrimination, and to apply the income therefrom, the increments thereto, and the proceeds thereof for the relief, rehabilitation, reestablishment, resettlement and immigration of such victims, all in accordance with the laws and policies established by the Governments or authorities in control of the countries, or areas, where any or all of the foregoing activities may be carried on". The Jewish Restitution Successor Organization (hereinafter referred to as JRSO) has so acted since the date of its incorporation.

2. Persons to Whom JRSO Seeks to Act as Successor

The JRSO requests that it be designated as successor to any persons, eligible for return of their property pursuant to section <sup>3v</sup>(a)(2)(C) or (D) of the Trading with the Enemy Act, as amended, who were persecuted as Jews on grounds of race or religion.

3. Purposes for which Returned Property or Proceeds Will Be Used

In accordance with its Charter, the JRSO proposes to use all property or proceeds returned to it, in accordance with the statute, for the rehabilitation and settlement of persons who have been persecuted on said religious or racial grounds.

4. Assurances Required by Statute

The JRSO hereby gives firm assurance that:

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- (i) The property or interest returned to the JRSO, or the proceeds of any such property or interest, will be used on the basis of need in the rehabilitation and settlement of Jewish persons in the United States who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivision (C) or (D) of section 32 (a)(2) of the Trading with the Enemy Act, as amended;
- (ii) The JRSO will transfer, at any time within two years from the time that return is made, such property or interest or the equivalent value thereof to any persons whom the President or such officer or agency as may act for him within the terms of the Trading with the Enemy Act shall determine to be eligible under section 32 to claim as owner or successor in interest to such owner by inheritance, devise or bequest;
- (iii) The JRSO will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the property or interest returned to the JRSO or the proceeds of any such property or interest) and permit such examination of its books as the President or such officer or agency may from time to time require; and
- (iv) The JRSO will not use such property or interest or the proceeds of such property or interest for legal fees, salaries, or any other administrative expenses connected with the filing of claims for or the recovery of such property or interest.

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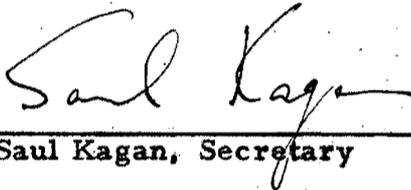
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5: The filing of this application for designation as a successor organization pursuant to Public Law 626, 83rd Congress, has been expressly authorized and approved by the Executive Committee of the Board of Directors of the JRSO, which is empowered so to act.

Respectfully submitted:



Monroe Goldwater, President



Saul Kagan, Secretary

September 21, 1954

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## CERTIFICATE OF INCORPORATION

- of -

## THE JEWISH RESTITUTION COMMISSION

(Pursuant to the Membership Corporation Law)

WE, the undersigned, for the purpose of forming a membership corporation pursuant to the Membership Corporation Law of the State of New York, hereby certify:

1. The name of the proposed corporation shall be THE JEWISH RESTITUTION COMMISSION.
2. The purposes for which it is to be formed are:
  - a) To assist, aid, help, act for and on behalf of, and as successor to, Jewish persons, organizations, cultural and charitable funds and foundations, and communities, which were victims of Nazi or Fascist persecution and discrimination, in all matters relating to claims for the restitution of property and property rights of every nature and description, and for compensation and indemnification arising out of loss or damage suffered by them in consequence of such persecution and discrimination; and in connection with the foregoing to discover, claim, acquire, receive, hold, maintain, manage, administer, hire, liquidate, and otherwise dispose of property and property rights of every nature and description for the benefit of victims of Nazi or Fascist persecution or discrimination, and to apply the income therefrom, the increments thereto, and the proceeds thereof for the relief, rehabilitation, reestablishment, resettlement and immigration of such victims, all in accordance with the laws and policies established by the Governments or authorities in control of the countries, or areas, where any or all of the foregoing activities may be carried on.
  - b) To act in the aforementioned respects for the purpose of ascertaining claims to restitution, compensation or indemnification; claiming, acquiring, receiving, reducing possession, or prosecuting such claims; holding maintaining, salvaging, repairing, managing, administering, and in all respects dealing with such property and claims, and effecting disposition, liquidation or conversion of such property or claims by all appropriate means for the purposes herein stated.
  - c) To act in the aforementioned respect with regard to Jewish books, manuscripts, and other Jewish cultural and religious and historic objects in Germany, and in areas formerly occupied by Germany, and to distribute such objects to their rightful owners and to such Jewish organizations, institutions, and communities anywhere in the world as may be determined to be equitably and appropriately entitled to them.
  - d) To assist governmental and intergovernmental agencies, in a representative capacity or otherwise, in locating, identifying, preserving, cataloguing and determining the proper disposition of Jewish books, manuscripts, and other Jewish cultural, religious, and historic objects in Germany or in areas formerly occupied by Germany.

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- e) To have power to borrow money, and, from time to time, to make, accept, endorse, execute, and issue bonds, debentures, promissory notes, bills, of exchange, and other obligations of the corporations for monies borrowed or in payment for property acquired or for any of the other objects or purposes of the corporation or its business, and to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other instrument of trust, or by other lien upon, assignment of, or agreement in regard to all or any part of the property, rights, or privileges of the corporation wherever situated, whether now owned or hereafter to be acquired.
- f) Without limitation of the foregoing to do all and everything necessary, suitable and proper for the accomplishment of any of the purposes hereinbefore set forth and to do every other act or acts, thing or things incidental or appurtenant to or growing out of or connected with the aforesaid purposes, or any part thereof, provided the same be not inconsistent with the laws under which this corporation is organized or the laws of any country in which the activities of the corporation are carried on.

3. The corporation shall have no capital stock and shall not be conducted for profit. All assets remaining upon liquidation of the corporation shall be distributed solely for purposes of the relief, rehabilitation, resettlement and immigration of victims of Nazi or Fascist persecution or discrimination, in the manner provided in the By-Laws of the corporation, subject to the approval of the supreme Court of the State of New York.

4. The territories in which its operations are principally to be conducted are the United States of America, Germany and formerly German occupied areas of Europe, and other areas throughout the world.

5. The city and county in which its office is to be located are the City of New York, County of New York.

6. The number of directors shall not be less than five (5), nor more than sixty-one (61). Officers and directors of the corporation need not be members.

7. The names and residences of the directors until the first annual meeting are:

NAMESADDRESSES

Louis Lipsky	-	-	302 West 86th Street, New York, N. Y.
Jacob Blaustein	-	-	Alto Dale, Pikes Well 6, Baltimore County, Md.
Dr. Stephen S. Wise	-	-	91 Central Park West, New York, N. Y.
Zelig Brodetsky	-	-	77 Great Russell Street, London, England
Prof. Salo W. Baron	-	-	405 West 118 Street, New York, N. Y.
Edward M. M. Warburg	-	-	550 Park Avenue, New York, N. Y.
Emanuel Neumann	-	-	749 West End Avenue, New York, N. Y.

8. All of the subscribers to this Certificate are of full age; at least two-thirds of them are citizens of the United States and at least one of them is a resident of the State of New York. Of the persons named as directors, at least one of them is a citizen of the United States and a resident of the State of New York.

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IN WITNESS WHEREOF, we have made, subscribed, and acknowledged this Certificate this 25th day of April, 1947.

LOUIS LIPSKY  
JACOB BLAUSTEIN  
STEPHEN S. WISE  
ROBERT SZOLD  
EDWARD M. M. WARBURG  
E. NEUMANN  
Salo W. Baron

STATE OF NEW YORK )  
COUNTY OF NEW YORK ) SS.:

On this 25th day of April, 1947, before me personally came LOUIS LIPSKY, to me known and known to me to be the same person described in and who executed the foregoing Certificate of Incorporation, and he thereupon duly acknowledged to me that he executed the same.

Lucy Gerstein  
Notary Public

STATE OF NEW YORK )  
COUNTY OF NEW YORK ) SS.:

On this 25th day of April, 1947, before me personally came JACOB BLAUSTEIN, to me known and known to me to be the same person described in and who executed the foregoing Certificate of Incorporation, and he thereupon duly acknowledged to me that he executed the same.

Henry A. Weiller  
Notary Public, State of New York  
Residing in Bronx County  
N.Y.Co.Clk's No. 303, Reg. No. 252-W-9  
Commission Expires March 30, 1949

Henry A. Weiller  
Notary Public

STATE OF NEW YORK )  
COUNTY OF NEW YORK ) SS.:

On this 25th day of April, 1947, before me personally came Dr. STEPHEN S. WISE, to me known and known to me to be the same person described in and who executed the foregoing Certificate of Incorporation, and he thereupon duly acknowledged to me that he executed the same.

Lucy Gerstein  
Notary Public

STATE OF NEW YORK )  
COUNTY OF NEW YORK ) SS.:

On this 25th day of April, 1947, before me personally came PROF. SALO W. BARON, to me known and known to me to be the same person described in and who executed the foregoing Certificate of Incorporation, and he thereupon duly acknowledged to me that he executed the same.

Lucy Gerstein  
Notary Public

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STATE OF NEW YORK )  
 COUNTY OF NEW YORK ) SS.:

On this 25th day of April, 1947, before me personally came EDWARD M. M. WARBURG, to me known and known to me to be the same person described in and who executed the foregoing Certificate of Incorporation, and he thereupon duly acknowledged to me that he executed the same.

Lucy Gerstein  
 Notary Public

STATE OF NEW YORK )  
 COUNTY OF NEW YORK ) SS.:

On this 25th day of April, 1947, before me personally came EMANUEL NEUMANN, to me known and known to me to be the same person described in and who executed the foregoing Certificate of Incorporation, and he thereupon duly acknowledged to me that he executed the same.

Lucy Gerstein  
 Notary Public

STATE OF NEW YORK )  
 COUNTY OF NEW YORK ) SS.:

On this 25th day of April, 1947, before me personally came ROBERT SZOLD, to me known and known to me to be the same person described in and who executed the foregoing Certificate of Incorporation, and he thereupon duly acknowledged to me that he executed the same.

Lucy Gerstein  
 Notary Public

I, ERNEST E. L. HAMMER, a Justice of the Supreme Court of the First Judicial District, hereby approve the foregoing Certificate of Incorporation of THE JEWISH RESTITUTION COMMISSION.

Ernest E. L. Hammer  
 Justice Supreme Court

May 12th, 1947.

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*Ernest W. ...*

*W. ...*

*...*

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**AFFIDAVIT**

STATE OF NEW YORK )

SS:

COUNTY OF NEW YORK )

**EDWARD M. MARRINO and ABRAHAM ROSENFELD, being duly sworn, depose and say:**

That each for himself depose and say that **he, EDWARD M. MARRINO is the President of THE FEDERAL INSTITUTION COMMISSION, and he ABRAHAM ROSENFELD is the Assistant Secretary thereof.**

That they were duly authorized to execute and file the foregoing Certificate of Change of Name by the votes, cast in person or by proxy, of a majority of the members of record of the corporation who are entitled to vote, and that such votes were cast at a meeting of the members called for that purpose, upon like notice as that required for the annual meetings of the corporation, which said meeting was held on July 29th, 1948 at 54 Fifth Avenue, in the Borough of Manhattan, City, County and State of New York, at 2:30 o'clock in the afternoon.

*Edward M. Marrino*  
*Abraham Rosenfeld*

Subscribed and sworn to before me

on this 29th day of July, 1948.

\_\_\_\_\_  
Notary Public

*Am...*

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Memorandum in Support of Application of Jewish Restitution Successor  
Organization for Designation as Successor Organization  
Pursuant to Public Law 626, 83rd Congress

The Jewish Restitution Successor Organization, a membership organization incorporated under the laws of the State of New York, has applied for designation as a successor organization under the terms of Public Law 626, 83rd Congress, approved August 23, 1954. The following is set forth in support of the application of the Jewish Restitution Successor Organization, hereinafter referred to as the JRSO.

1. The JRSO was first incorporated under the name of the Jewish Restitution Commission in 1947. (The name was subsequently, in 1948, as is set forth in the application, changed to the Jewish Restitution Successor Organization, for the reason that the latter name more accurately described the functions of the organization.) It was set up, however, from the outset for the specific purpose of acting as a successor organization, under legislation similar to and identical in purpose with Public Law 626. It was anticipated in 1947, when the JRSO was first set up (the term JRSO is used equally to refer to the Jewish Restitution Commission), that provision would be made in various laws for successorship to so-called heirless and unclaimed property. Long before the capitulation of Germany, the Allied powers had considered measures to assure that those persons who acquired property by force and duress would not be allowed the peaceful possession of their ill-gotten wealth. The London Declaration of 1943, for example, declared that transfers under duress would not be countenanced. Pursuant to these general policies, the United States Government, at the end of 1947, enacted Military Government Law 59, which was a law for the restitution of identifiable property

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in the American zone of Germany. This law contemplated the designation of an organization which would act as a successor to heirless or unclaimed property of persons who suffered persecution under the Nazi regime.

In June 1948, the United States authorities in Germany designated the JRSO, which had been set up in anticipation of these events, as "the successor organization authorized to claim Jewish property, as hereinafter defined, pursuant to the terms of ... Military Law 59". This designation was incorporated in Regulation No. 3, a copy of which is attached hereto as Exhibit 1 to this memorandum.

Other articles of Regulation No. 3 defined Jewish property and specified the status, powers and obligations of the JRSO.

2. Since its designation in June 1948, the JRSO has carried on an intensive program for the benefit of surviving Jewish persecutees and has acted in its stated capacity of a successor organization. It has discharged its duties to the satisfaction of the American authorities and has fulfilled its function both of claiming heirless and unclaimed property and applying the proceeds thereof for its stated purposes, and of assisting individual persecutees and claimants in connection with their own claims.

The role of the JRSO has been officially recognized, in connection with consideration of S. 2420, the bill which became Public Law 626. In Report No. 2451, 83rd Congress, 2nd session, the House Interstate and Foreign Commerce Committee stated that:

"... Approximately 90 percent of the heirless property which is likely to be turned over to charitable organizations to be used for resettlement and rehabilitation purposes, as provided for in the

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proposed legislation, is of Jewish origin. An organization which plans to apply to the President for designation as successor in interest is the Jewish Restitution Successor Organization which is a charitable organization incorporated under the laws of the State of New York. This organization was appointed by General Clay, pursuant to Military Government Law No. 59, as the successor organization authorized to claim Jewish property in Germany." A similar statement is found in the Report of the House Interstate and Foreign Commerce Committee in the 81st Congress (Report No. 2338, 81st Congress, 2nd session, to accompany S. 603).

In the discussion of S. 2420 on the floor of the House of Representatives, on August 5, 1954, Mr. Klein stated (Congressional Record, page 12829): "Incidentally, may I point out that the military government law in Germany today, which was administered by General Clay, has a similar law which states that such money should be turned over to an organization which will use it for the benefit of persecutees of similar religions or similar political groups, which is all we are trying to do here. The organization which was set up at that time in Germany by the administration, and approved by General Clay, is a similar organization; in fact, the same organization as I believe will be selected by the President." (emphasis added)

The role of the JRSO as a successor in interest to heirless and unclaimed property in the United States has also been judicially established. See In the Matter of Henry Ollesheimer, Deceased, Surrogate's Court, New York, decree of 16 November, 1953.

3. The JRSO's application is supported by the following American organizations, all of which are members of the JRSO:

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Agudas Israel World Organization  
 American Jewish Committee  
 American Jewish Joint Distribution Committee, Inc.  
 Jewish Agency for Palestine  
 Jewish Cultural Reconstruction, Inc.  
 World Jewish Congress

4. The JRSO should be designated as the sole organization authorized to act as a successor to property of persons who were persecuted as Jews on religious or racial grounds. It would not be administratively feasible for more than one organization to act as a successor to a particular category of heirless or unclaimed property. The task of tracing such property and of filing appropriate claims for it, within the rather brief statutory period, is one of considerable magnitude and of great complexity. The nature of the task is such that it must be done as a unity, by a single organization, which will be able to claim all property falling within the specified category.

At the same time, it should be recognized that the JRSO is not itself a relief operating agency. It will discharge its responsibilities by distribution of such funds as may accrue to it, for purposes specified by the statute, to operating relief agencies. These latter relief agencies need not be, and indeed in many cases will not be, members of the JRSO itself. Designation of the JRSO as the sole successor organization with respect to Jewish property, therefore, would in no way prejudice, and will in fact maximize, the utilization of the claimed property for the specified purposes.

5. The application of the JRSO limits its request for designation to designation as a successor to Jewish property and specifies the use of the property or its proceeds for Jewish relief purposes. It is felt that other organizations can more appropriately discharge responsibilities with respect to non-Jewish properties and persecutees, since

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the JRSO has from the outset operated in, and is consequently expert in, only the field of Jewish claims and Jewish relief needs. Nevertheless, the JRSO proposes to take whatever steps are feasible to furnish information with respect to possible non-Jewish claims to other appropriate organizations, and to cooperate fully with such other interested organizations. As stated in the Report of the House Committee on Interstate and Foreign Commerce, the great bulk of the property involved, and of the persecutees involved, are Jewish. In the course of the work preparatory to filing claims for this property, information relating to non-Jewish properties may well be developed. This information will, of course, be available to such organizations as may be designated in the non-Jewish field, which should greatly reduce or eliminate administrative costs for such organizations.

In this latter connection, it may be pointed out that the provisions of Public Law 626 require that administrative expenses and similar charges connected with the filing of claims for or the recovery of properties or interests not be charged against the properties or interests recovered. These funds will be provided the JRSO from sources other than assets falling within the scope of Public Law 626.

6. The appropriate officials of the JRSO are at any moment prepared to consult with such officer or agency as the President may designate on any matters connected with the application to which this memorandum is attached.

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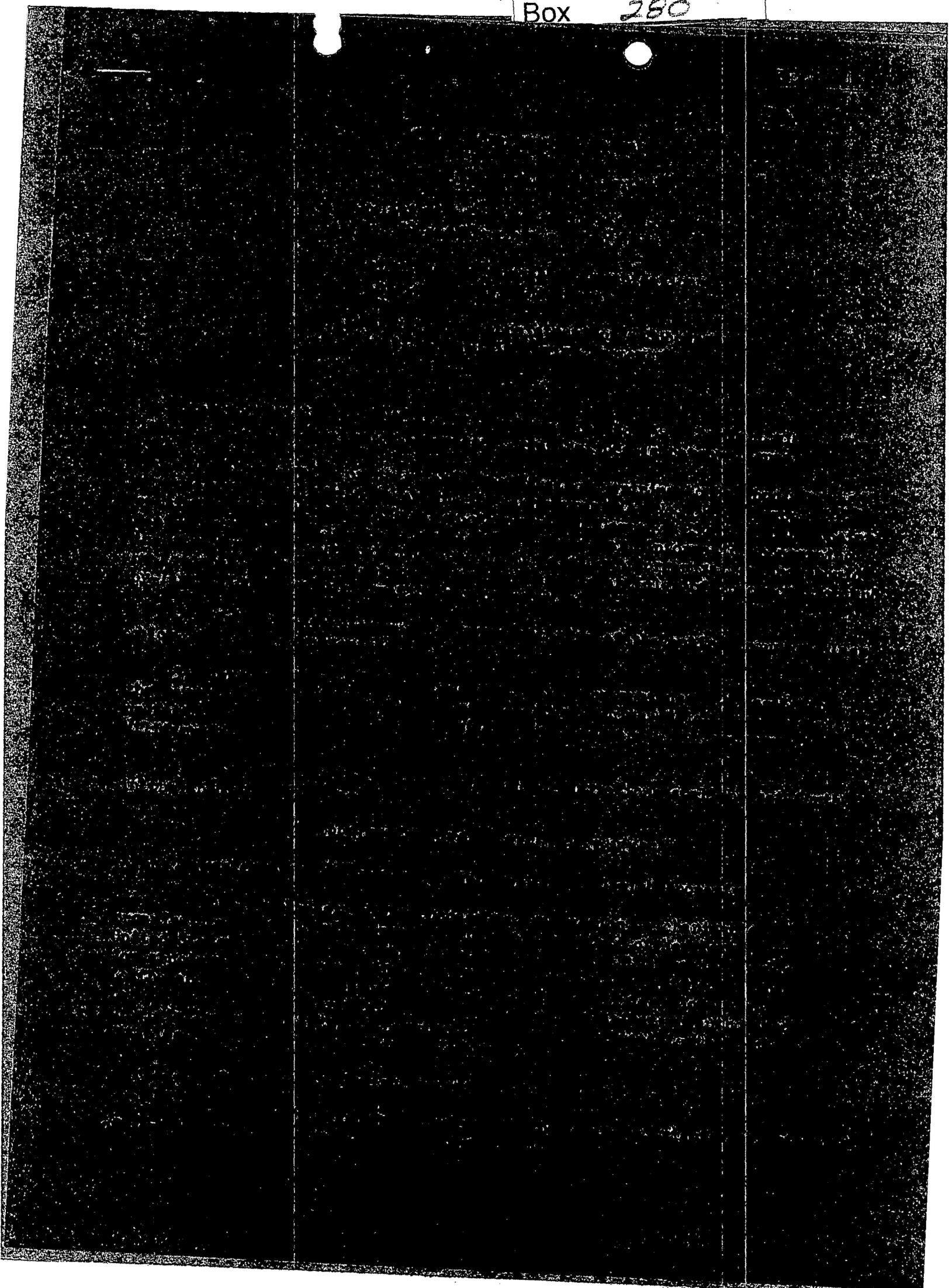
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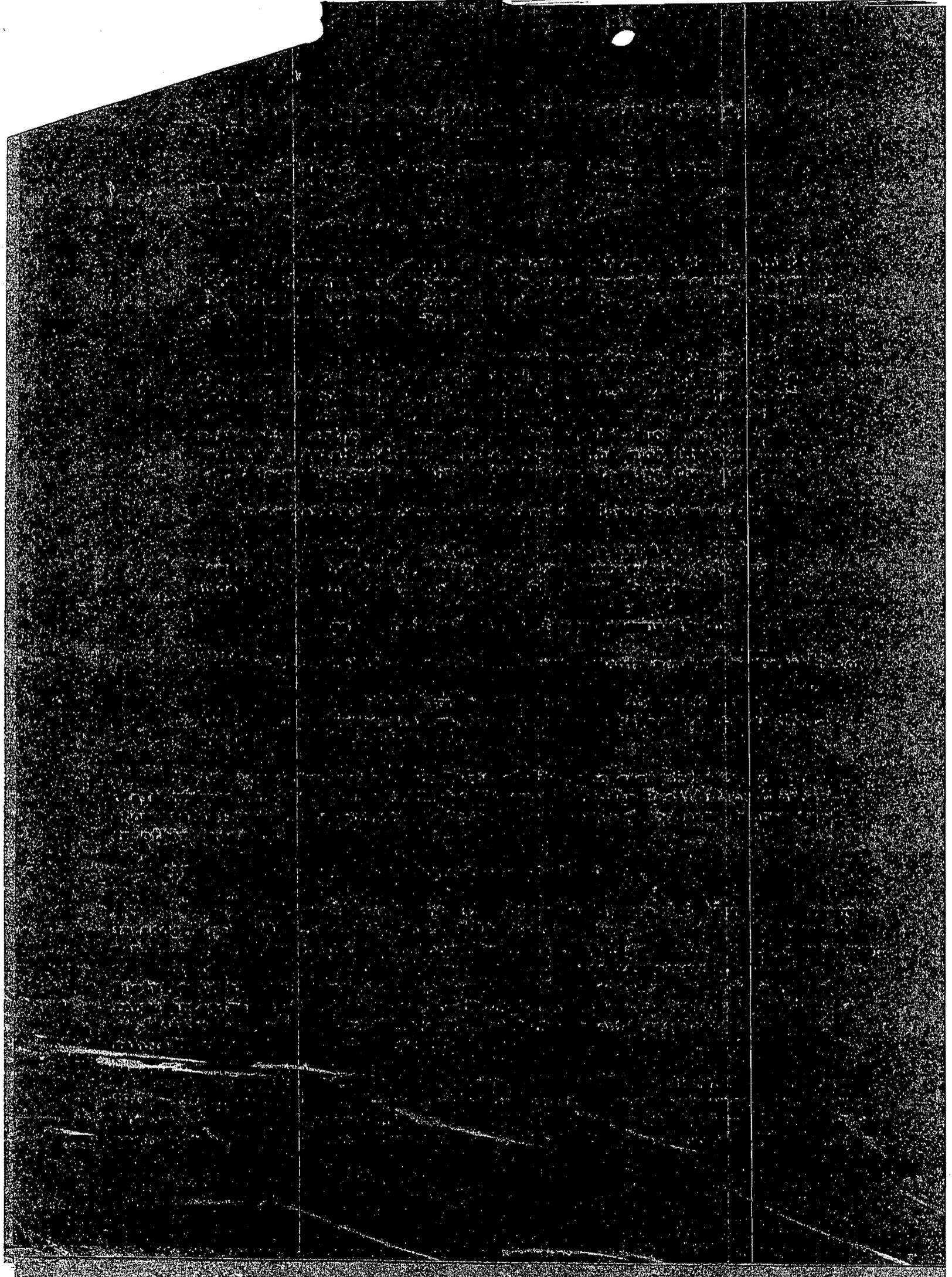
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<p>LANDIS COHEN RUBIN AND SCHWARTZ 1832 JEFFERSON PLACE, N.W. WASHINGTON, D. C.</p>			<p>Application for Designation as Successor Organization</p>	
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# FEDERAL REGISTER

VOLUME 20 NUMBER 11

Washington, Saturday, January 15, 1955

## TITLE 3—THE PRESIDENT EXECUTIVE ORDER 10586

### DESIGNATING CERTAIN OFFICERS TO ACT AS SECRETARY OF THE TREASURY

By virtue of the authority vested in me by section 179 of the Revised Statutes (5 U. S. C. 6) and section 301 of title 3 of the United States Code, it is ordered as follows:

In case of the death, resignation, absence, or sickness of the Secretary of the Treasury and the Under Secretary of the Treasury, the following designated officers of the Treasury Department shall, in the order of succession indicated, act as Secretary of the Treasury until a successor is appointed or until the absence or sickness of the incumbent shall cease:

1. Under Secretary for Monetary Affairs.
2. Assistant Secretaries, in the order fixed from time to time by the Secretary of the Treasury.
3. General Counsel.

Executive Order No. 8714 of March 18, 1941, entitled "Designating Certain Officers To Act as Secretary of the Treasury in Case of Absence or Sickness of the Secretary," is hereby revoked.

DWIGHT D. EISENHOWER

THE WHITE HOUSE  
 January 13, 1955.

[F. R. Doc. 55-408; Filed, Jan. 13, 1955; 3:52 p. m.]

## EXECUTIVE ORDER 10587

### ADMINISTRATION OF SECTION 32 (h) OF THE TRADING WITH THE ENEMY ACT

By virtue of the authority vested in me by the Trading with the Enemy Act, as amended (50 U. S. C. App. 1 et seq.) and by section 301 of title 3 of the United States Code (65 Stat. 713), and as President of the United States, it is ordered as follows:

SECTION 1. The Jewish Restitution Successor Organization, a charitable membership organization incorporated under the laws of the State of New York,

is hereby designated as successor in interest to deceased persons in accordance with and for the purposes of subsection (h) of section 32 of the Trading with the Enemy Act, as added by Public Law 626, approved August 23, 1954, (68 Stat. 767).

SEC. 2. Exclusive of the function vested in the President by the first sentence of the said subsection (h) of section 32 of the Trading with the Enemy Act, the Attorney General shall carry out the functions provided for in that subsection including the powers, duties, authority and discretion thereby vested in or conferred upon the President, and functions under the said subsection are hereby delegated to the Attorney General, and the Attorney General is hereby designated thereunder, accordingly.

SEC. 3. The Attorney General may delegate to any officer and agency of the Department of Justice such of his functions under this order as he may deem necessary.

DWIGHT D. EISENHOWER

THE WHITE HOUSE

January 13, 1955.

[F. R. Doc. 55-409; Filed, Jan. 13, 1955; 3:52 p. m.]

## EXECUTIVE ORDER 10588

### ESTABLISHING THE PRESIDENT'S COMMISSION ON VETERANS' PENSIONS

By virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. *Establishment and composition of Commission.* There is hereby established a Commission which shall be known as the President's Commission on Veterans' Pensions, and which shall be composed of a Chairman and six other members, all of whom shall be designated by the President. The Chairman and members shall receive such compensation as the President shall hereafter fix.

SEC. 2. *Functions of the Commission.* The Commission is authorized and di-

(Continued on next page)

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**FEDERAL REGISTER**

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ected to make a comprehensive survey and appraisal of the structure, scope, and administration of the laws of the United States providing pension, compensation and related nonmedical benefits to veterans and their dependents and it shall make recommendations to the President regarding policies which, in its judgment, should guide the granting of such benefits in the future. The Commission shall give particular attention to:

(a) Changes in basic military, social, fiscal, and economic factors in our society affecting the role of these benefits.

(b) The conditions under which benefits should be provided to different categories of veterans.

(c) The relationship of various veterans' benefits to each other, to benefits for persons still in the military service and to the broader social security and other benefits which are provided to persons without regard to their status as veterans.

**SEC. 3. Procedures of the Commission.** In performing its functions under this order, the Commission may prescribe such rules of procedure, and may hold such public hearings and hear such witnesses as it may deem appropriate.

**SEC. 4. Cooperation of Federal agencies.** All executive departments and agencies of the Federal Government are authorized and directed to cooperate with the Commission in its work and to furnish the Commission such information and assistance, not inconsistent with law, as it may require in the performance of its functions.

**SEC. 5. Staff.** There shall be an Executive Director of the Commission, who shall be appointed by the Chairman of the Commission after consultation with the other members of the Commission, and such appointment may be without regard to the civil-service laws. Within

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SG:SL:awr

Robert W. Minor  
First Assistant to the Deputy Attorney General  
Dallas S. Townsend, Assistant Attorney General  
Director, Office of Alien Property  
Heirless assets program

Your memorandum of January 20, 1955, inquired whether there are funds available for the employment of a consultant in the "heirless assets" program (see Public Law 626, 83d Congress, approved August 23, 1954, 68 Stat. 767), as suggested by Mr. Bernard Katzen in the attached letter.

In my opinion the Department would not be justified in the expenditure of funds to employ a consultant in the administration of this program. The primary role of this Office, as the administering division, will be to pass on claims filed by the Jewish Restitution Successor Organization (JRSO) which has been designated by the President to file claims for and receive heirless assets under Public Law 626 (see Executive Order 10587 of January 13, 1955, 20 F. R. 361). In other words, insofar as this Office is concerned, the work entailed in this program will be principally of a routine legal nature limited to a determination as to the validity of the claims.

Mr. Katzen's recommendation "[of] a special consultant to see that the distributing agency acts in accordance with the interest of the Act" should perhaps be considered by the Jewish Restitution Successor Organization itself. It would not seem appropriate for the Department to supervise JRSO's activities directly. Under Public Law 626, the organization is subject merely to limited supervision in that (1) it must give "firm and responsible assurance" that it will use the assets it receives for the purposes of the legislation, (2) it must make reports as required by the Department, and (3) it must permit examination of its books. It is apparent that none of these matters requires the employment of a consultant.

D. S. T.  
(mirrored)

Attachment.

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JAN 31 1955

Mr. Frank A. Kraus  
1046 Union Street  
Brooklyn 25, N. Y.

Dear Mr. Kraus:

Reference is made to your letter of January 17, 1955, with regard to President Eisenhower's designation of the Jewish Restitution Successor Organization as a successor organization for the purpose of taking over unclaimed vested properties of deceased victims of Nazi persecution.

Following the entrance of the United States into World War II, this Office vested - i. e., seized - assets in the United States owned by enemy countries and their nationals. This action was taken under the provisions of the Trading with the Enemy Act. By virtue of an amendment to that Act passed in 1946, this Office makes administrative returns of vested property to former owners who, although having World War II enemy status, belong to groups which were the victims of political, racial or religious persecution by enemy governments. In cases where such persons have died, returns are made to their legal representatives or successors by inheritance or testament who qualify under the Act. However, in some cases the vested property of such deceased persons is unclaimed because there are no surviving heirs or testamentary successors. Under Public Law 626, 83d Congress, approved August 23, 1954, such "hairless" property, in a total amount not to exceed \$3,000,000, may be transferred to American charitable organizations to be designated by the President as successors in interest to such deceased persons. Property will be turned over to the designated organizations upon their proof of claim that it is in fact "hairless." The designated organizations are to devote the property transferred to them to the rehabilitation and settlement, on the basis of need, of persons in the United States who are survivors of persecuted groups.

The only organization designated to date by the President for purposes of Public Law 626 is the Jewish Restitution Successor Organization. You will understand from the foregoing that all benefits to survivors of Nazi persecution will be derived from the Jewish Restitution Successor Organization or any other additional organizations which may

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designated at some future time. Accordingly, it is suggested that you communicate with the Jewish Restitution Successor Organization for the information which you desire.

Sincerely yours,

Dallas S. Townsend  
Assistant Attorney General  
Director, Office of Alien Property

By

(Signed)

Sidney Gross, Chief  
Legal and Legislative Section

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407 →

only 35 have same names.  
 of 35 - only 7 probables. - Other 28  
 do not have same former address (as of 1941-  
 time of departure. ∴ in all probability  
 majority of 28 will not be our persecutors.

This is less than 5% of the 407 which  
 represents 10% of the 800 Cl. ∴ total  
 will be less than 5% of \$800,000

Barret had 33 cases in Berlin

{ He has investigated 24 without finding  
 a single one who can be a valid claimant.

List 1 - 4137 claims

4137

List 2 - (Address Claims) 2,066

2066

List 3 -

100

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TO: St

FROM: SIDNEY GROSS, Chief  
Legal and Legislative Section

*Sy Reubin's proposal  
of 4/19/56*

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84th Congress  
2d Session

S. \_\_\_\_\_

*Submitted by [unclear] at Conference April 19/57*

IN THE SENATE OF THE UNITED STATES

A BILL

To amend the Trading with the Enemy Act, as amended, so as to provide for allowance of certain claims by successor organizations to heirless or unclaimed property.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That Section 32(h) of the Trading with the Enemy Act, as amended, is further amended by adding at the conclusion thereof:

"The President or such officer as he may designate is authorized and directed to allow claims for return of property or interests presented pursuant to this subsection by a successor organization previously designated by the President, provided that 1) such claims have been timely filed by such successor organization; 2) no other claim for the return of the property or interest *having prima facie validity* is pending; ~~no other claim for the return having prima facie validity has been filed for the same property or interest and not adjudicated;~~ and 3) after examination of existing records in the Office of Alien Property, the President or such officer has not adduced information establishing the existence of an eligible individual claimant to such property or interest."

*This probably would increase claims above \$100,000 figure*

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STANDARD FORM NO. 64

## Office Memorandum • UNITED STATES GOVERNMENT

IEB:djw

TO : Sidney Gross  
Chief, Legal and Legislative Section

DATE:

July 6, 1956

FROM : Arthur R. Schor  
Chief, Claims Section

SUBJECT: JRSO Claims

The claims filed with this Office by the Jewish Restitution Successor Organization may be divided into three main categories. These are identified by JRSO as List I (No Adverse Claims), List II (Adverse Claims) and List III (Claims Against Omnibus Accounts). The total value of the property in the accounts against which the claims in List I are filed is approximately \$9,200,000. The total value of the accounts against which the List II claims are filed is approximately \$13,200,000. Because of the nature of the List III claims, no valuation has been placed thereon.

A total of 4,137 claims are contained in List I. An overtime program was conducted in order to analyze the material contained in our files relating to these claims. The analysis indicated that there were:

1. 106 claims against which are filed direct conflicting claims.
2. 148 claims against which there are indirect claims, that is, claims filed by persons who would be heirs of the vestees.
3. 2,016 claims where the files reveal known heirs of the vestees.
4. 970 claims where our records indicate that the vestee is alive.
5. 83 claims where our files indicate that the vestee was not Jewish.
6. 6 claims where the vestee is a business enterprise.

This left a residue of 808 claims covering \$865,933.93. Of these our files contain information which would indicate that in 15 of these cases (\$24,608.77) the JRSO may be the successor. In the remaining 793 cases (\$841,325.16) our files contain no information concerning the vestee or his heirs.

No analysis has been made of 2,066 List II claims. It is doubtful whether many of these JRSO claims can ever be allowed in view of the fact that there are direct conflicting claims filed for

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the return of the property. The JRSO has authorized this Office to consider any JRSO claim as withdrawn when a claim conflicting with it is allowed. In accordance with this procedure some of the List II claims have been withdrawn. No analysis has been made of the approximately 100 List III claims since the JRSO has not identified the interests in the omnibus accounts which it is claiming.

A list of the 808 cases from List I was forwarded to our Overseas Section in Germany. Approximately half of these cases, 407 in number which appeared to have West German addresses, were transmitted to the International Tracing Service which maintains fairly complete records on inmates of concentration camps. The International Tracing Service checked these 407 cases and made 35 tentative identifications. Of these 35 it appears that 2 are fairly positive identifications and that 5 others are possibly identical with our vestee. Mr. Barrett of the Berlin office of the Overseas Section has been conducting investigations of 33 vestees for which our records revealed Berlin addresses. In these 33 cases he has identified 12 of the vestees as being presently alive. He has located heirs of 9 of the vestees. He has found a Nazi Party membership record for 1 vestee and has been advised that 1 vestee left Germany for Guatemala prior to the war. In one case involving \$18.23 his investigation has been fruitless. In the remaining cases his investigation is still continuing.

The Overseas Section has indicated that, as soon as it is possible to conduct investigations in West Germany, it will be willing to do so. The Overseas Section anticipates that in smaller communities it will be even more successful in locating information than in Berlin.

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*See memo  
 H.R. 9772, 84th Congress  
 subsequent letter to Sen. Dirksen*

\$2420

FEB 9 1956

Honorable Everett H. Dirksen  
 United States Senate  
 Washington, D. C.

Dear Senator Dirksen:

I have your letter of January 31, 1956, relating to the proposal to amend Public Law 626, 83rd Congress, to settle the claims filed pursuant to that law by payment of not less than \$2,000,000 nor more than \$3,000,000.

As I indicated to you in our telephone conversations, one of the major problems raised by the proposed legislation involves the source of the funds which would be paid to JRSO. In addition, I am advised that a cursory examination of the 4,558 claims asserted by JRSO to be within the non-adverse or non-conflicting case category has revealed that (1) in a fair percentage of the cases adverse claims are in fact on file, and (2) in a majority of these 4,558 cases the names of the pre-warring owners do not appear to be definitely of Jewish origin.

Before consenting on the proposal we wish to consolidate the information available to this Office. Accordingly, we are causing an examination to be made of the files in all of the 4,558 cases in order to ascertain, if possible, whether they fall within the "hairless" category. Because of the extensiveness of the undertaking, you will readily understand that it will be some time before the examination is completed. We believe that without this information it would be well nigh impossible to approach the problem intelligently.

When the examination has been made, the Department will be pleased to furnish you with the results thereof and with such comment as it deems appropriate with respect to the proposal. Pursuant to your request I am returning herewith the attachments to your letter.

Sincerely yours,

(Signed) Paul V. Myron

Paul V. Myron  
 Deputy Director  
 Office of Alien Property

Enclosures.