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Authority NND 760210By JW NARA Date 2-7-00RG 331Entry (15) SHAEFFile C-Directives-GermBox 114

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ARTICLE IIIDelivery of Property

5. Within fifteen (15) days of the effective date of this law, the owner, holder or other person in possession, custody or control of any of the following property shall deliver it, against receipt therefor, to the nearest branch of the Reichsbank, or as otherwise directed:

- (a) Currency other than German currency;
- (b) Checks, drafts, bills of exchange and other instruments of payment drawn on or issued by persons outside Germany;
- (c) Securities and other evidence of ownership or indebtedness issued by:
  - (i) Persons outside Germany; or
  - (ii) Persons in Germany if expressed in a currency other than Germany currency;
- (d) Gold or silver coin, gold, silver or platinum bullion or alloys thereof in bullion form.

6. Any person owning or controlling directly or indirectly, in whole or in part, any other type of foreign exchange asset shall, when ordered by Military Government, deliver, against receipt, the possession, custody or control of such asset to the nearest branch of the Reichsbank, or as otherwise directed.

7. Any property referred to in this Article and subject to this law which hereafter comes into the possession, ownership or control of any person, shall, within 3 days thereof, be delivered by such person in the same manner as provided in this Article.

ARTICLE IVApplication for Licenses

8. Applications for licenses to engage in transactions prohibited by this law or any request in relation to the operation of this law shall be submitted in accordance with such regulations as may be issued at a future date by Military Government.

ARTICLE VVoid Transactions

9. Any transfer effected in violation of this law and any agreement or arrangement made, whether before or after the effective date of this law, with intent to defeat or evade this law or the objects of Military Government, is null and void.

ARTICLE VIConflicting Law

10. In case of any inconsistency between this law or any order made under it and any German law, the former prevail.

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ARTICLE VIIDefinitions

## 11. For the purposes of this law:

- (a) The term "person" shall mean any natural person, collective person and any juristic person under public or private law and any government including all political subdivisions, public corporations, agencies and instrumentalities thereof;
- (b) The term "transaction" shall mean acquiring, importing, borrowing or receiving, with or without consideration; remitting, selling, leasing, transferring, removing, exporting, hypothecating, pledging or otherwise disposing of; paying, repaying, lending, guaranteeing or otherwise dealing in any property mentioned in this law;
- (c) The term "property" shall mean all moveable and immoveable property and all rights and interests in or claims to such property whether present or future, and shall include, but shall not be limited to, land and buildings, money, stocks/shares, patent rights or licenses thereunder, or other evidences of ownership, and bonds, bank balances, claims, obligations and other evidences of indebtedness, and works of art and other cultural materials;
- (d) The term "foreign exchange asset" shall be deemed to include:-
- (i) Any property located outside Germany;
  - (ii) Currency wherever located, other than German currency located in Germany; bank balances outside Germany; and checks, drafts, bills of exchange and other instruments of payment drawn on or issued by persons outside Germany;
  - (iii) Claims and any evidence thereof owned or held by:
    - a. Any person in Germany against a person outside Germany whether expressed in German or other currency;
    - b. Any person in Germany against any other person in Germany if expressed in a currency other than German currency;
    - c. Any person outside Germany against another person outside Germany in which claim a person in Germany has any interest;
  - (iv) Any securities and other evidences of ownership or indebtedness issued by persons outside Germany and any securities and other evidences of ownership or indebtedness issued by persons in Germany if expressed or payable in a currency other than German currency;
  - (v) Gold or silver coins, or gold, silver or platinum bullion or alloys thereof in any form, no matter where located;
  - (vi) Such other property designated by Military Government to be a foreign exchange asset;

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- (e) A juristic person may, for the purpose of the enforcement of the provisions of this law, be deemed to be in any one or more of the following countries: (a) that country by or under whose laws it was created, (b) that or those in which it has a principal place of business, or (c) that or those in which it carries on business;
- (f) Property shall be deemed to be "owned" or "controlled" by any person if such property is held in his name or for his account or benefit or owed to him or to his nominee or agent or if such person has a right or obligation to purchase, receive or acquire such property;
- (g) The term "Germany" shall mean the area constituting "Das Deutsche Reich" as it existed on 31 December 1937.

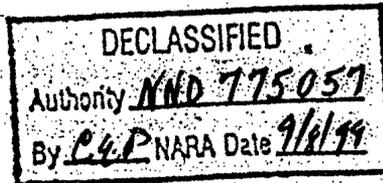
ARTICLE VIIIPenalties

12. Any person violating the provisions of this law shall, upon conviction by Military Government Court, be liable to any lawful punishment, other than death, the court may determine.

ARTICLE IXEffective Date

13. This law shall become effective upon the date of its first promulgation.

By order of Military Government,



RG 260  
Box 13  
Jewish DP Property  
(390-44-00-04)

PC 24

file 1744

MEMORANDUM

21 November 1947

SUBJECT: Records of Former Jewish PropertyTO : Mr. H.N. Reinsel,  
Chief, Property Control Branch

Your attention is invited to the fact that about 33 000 registry cards and records relating to seized Jewish property are available at the Document Center of the former Reich Ministry of Finance.

In my memorandum, subject: Reference to the Ascertainment of Records Concerning Jewish Property, dated 5 December 1946, I already reported that almost complete files of all securities reverted to the Reich on the basis of discriminating legislation are on hand. The files contain, among other details, the name and address of the former owners, the bank in which the securities had been previously deposited as well as the kind, amount, and proceeds of the securities which had been seized.

Recommendation:

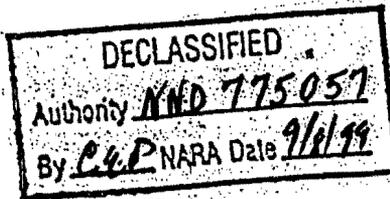
It might be useful to inform the Central Filing Agency as to the records available.

PC FILE

DR. RUTH A. KLEIN

Tel: Ext. 42995

313401



PC 27

C o p y

OFFICE OF MILITARY GOVERNMENT FOR GERMANY (US)  
 Finance Division  
 Berlin, Germany  
 APO 742

22 August 1947

SUBJECT: Application of MGR 17-501

TO: Office of Mil. Gov. for Hesse, APO 633, US Army.  
 Attn: Land Property Control Chief.

1. It has been noted recently that the provisions of MGR 17-501 are not being applied with sufficient strictness by Property Control personnel in the field, especially in connection with duress properties, with the result that many properties are being taken under control which are not sufficiently important or valuable enough to warrant control.

2. Reference is made specifically to small plots of land of insignificant value which are not income producing either because the structure thereon has been completely destroyed or because the land itself is not suitable for agricultural purposes. It appears that no purpose is served in exercising custody with respect to such properties since nothing of value can be removed therefrom and no income is received which will warrant the appointment of a custodian. However, the only possibility for the evasion of Law 52 with respect to such properties is the unauthorized transfer of such properties from Property Control custody and, at the same time, giving a list of such properties to the Grundbuchrichter of the Amtsgericht of competent jurisdiction, with instructions that no transfers of title to the properties will be permitted. Such list may be added to as similar properties are discovered in future.

3. It is desired that a review be made of all such properties under control and necessary action taken to release those properties where Property Control action is not deemed warranted in light of the criteria set forth above. Report of completion of such review is requested not later than 1 October 1947.

4. Attention is invited to the fact that the provisions of MGR 17-501 should be applied equally in the case of duress properties as well as non-duress properties.

s/ E.N. Reinsel  
 t/ E.N. REINSEL  
 Chief  
 Property Control Branch

Tel: BERLIN 43759

*Releases properties "of insignificant value" from control.*

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Authority NND 775057  
By BR NARA Date 9/29/46

PC 44-45

File  
Property  
Cont

REPORT  
OF  
FIELD TRIP  
BY  
MR. HARTZSCH and MR. PORTER  
to the  
Various Laender  
in the  
U. S. ZONE

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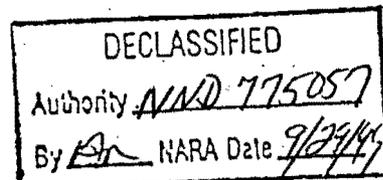
OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)  
Property Division  
Property Control and External Assets Branch  
APO 633  
Wiesbaden, Germany

8 February 1949

On 8 January 1949, cables were forwarded to the Directors of Military Government of the four Laender, arranging for discussion with the Director of each Land and the Land Property Control Chief, for the purpose of reviewing the progress made to date in the particular Land involved with respect to the Liquidation Program, approved by General Clay on 26 June 1948, outlining the progress made to date, and pointing out the action necessary to complete the program for final liquidation of the Property Control functions by 1 July 1949. The purpose of this meeting was also to review the Internal Restitution Program, as provided for under Military Government Law No. 59, and to make necessary recommendations enlisting the aid of Military Government so that the Restitution Program may be launched in a successful manner. The highlights of the various conferences are indicated in the following pages.

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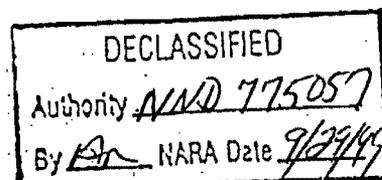
I. BREMEN

1. On Tuesday, 18 January 1949, various conferences were held in Bremen. In the morning, a conference was held with Mr. Goehring, Land Property Control Chief in Bremen; Mr. Hartzsch, Chief, Property Control and External Assets Branch, Property Division, OMGUS; and Mr. Porter, Chief, Claims Section, Property Control and External Assets Branch, Property Division, OMGUS. At this meeting Messrs. Lorenzen, LCAH; Schmeisser, Specialist for Restitution Matters in Bremen and Assistant LCAH, were present. After a brief review of the Property Control situation, the rest of the meeting was devoted to the Restitution Program as provided for under Military Government Law No. 59.

2. Mr. Porter briefly reviewed the present status of the Restitution Program as it affects Bremen and as disclosed by statistical reports received by the Claims Section and inspection report by Mr. Loewenthal, based on his last visit to Bremen on 16 November 1948. The accuracy of the petitions received, and dispositions made of the petitions, as contained in the report ending 31 December 1948, was confirmed. Mr. Porter indicated that, on the basis of the number of petitions received and the processing of such petitions, the record for Bremen is on the whole good, at least as regards the present work load. The number of petitions in which complete service had been effected (113) represented more than 85% of the total number of petitions received by the Land Central Office (132). Mr. Porter raised a question as to the dismissal of petitions in Bremen. It was pointed out that the 14 dismissals constituted more than 10 $\frac{1}{2}$ % of the total number of petitions and that this percentage seemed to be higher than that in the other Laender. There was some discussion on this point and the LPCC submitted for examination and specific discussion memoranda pertaining to the 14 cases. (In this connection it may here be mentioned that the LPCC keeps a card index on every restitution petition showing the name of the restitutor, restitutee, address of the property in question, status of claim in Restitution Agency or Court and final disposition.)

On the basis of the discussion concerning the dismissed petitions, it would seem that such disposition was justified in every case. Mr. Porter also inquired concerning the two cases of the 9 referred to it decided by the Restitution Chamber. Information was given that the two cases had sustained the decision of the Restitution Agency for dismissal of the claims. It is not known at the present time whether any further appeal will be taken by the claimants from the decisions of the Restitution Chamber. Mr. Porter also inquired concerning the one property reported in the statistical report for December 1948 as having been released from Property Control. The explanation given was that such property had been released as a result of an amicable settlement. Mr. Porter discussed the question of the treatment of those cases in which the Finance Senator was involved. It had been reported by Mr. Loewenthal that, in some half dozen cases, while the Finance Senator acknowledged the claims as obligations of the Reich to the claimants, the Finance Senator disclaimed any liability on the part of Bremen to satisfy such Reich obligations. Mr. Schmeisser stated that apparently the claimants, content with this acknowledgment by the Finance Senator, had not appealed for transfer of the matter to the Restitution Chamber and all parties regarded the cases as having been amicably settled. There was a lengthy discussion on this entire problem in which Mr. Porter indicated that, on the basis of all the facts connected with this type of case, it could not be said that amicable settlements had been concluded. He expressed the opinion that, regardless of the legal validity of the Finance Senator's position, the matter had to be

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settled conclusively and that such settlement could only be made by the Restitution Courts. Therefore, all such claims should be regarded as not having been amicably settled and should be referred to the Restitution Courts for a legal decision from which either of the parties could appeal and a final disposition be made as a matter of law on the merits of the claims. There was an exchange of opinion concerning the interpretations of the provisions of Military Government Law No. 59 which were applicable. It was finally agreed that the present status of these cases is unsatisfactory and that they should be referred to the Restitution Courts as suggested by Mr. Porter. Mr. Schmeisser indicated that the Restitution Court had informed him that in the absence of any appeal by any of the parties it could not exercise jurisdiction over this type of case. Mr. Porter called attention to the specific provisions of Military Government Law No. 59 on this point (Article 63, Section 1) and advised that, if the Restitution Court refused to accept these cases, the Claims Section, Property Control & External Assets Branch, Property Division, OMGUS, should be advised so that appropriate corrective action could be taken. This may be a case where an advisory opinion from the Board of Review, as provided for in Regulation No. 4, would be justified. The LPCC agreed to give this matter his attention and advise concerning the outcome.

3. Various questions were asked by Mr. Schmeisser concerning different provisions of Military Government Law No. 59. Among these questions were the following:

a. Designation of an agent. - Mr. Porter referred his attention to Article 58, Section 4, which covers this subject.

b. Time within which an appeal may be made from the decision of the Restitution Courts. - Mr. Porter indicated that, where Military Government Law No. 59 does not prescribe the time within which an appeal can be taken or any other limitation of like nature, the German Code of Civil Procedure would apply.

c. How long a claim might be retained by the Restitution Agency before referral to a Restitution Court. - Mr. Porter indicated that the primary function of a Restitution Agency is to effect amicable settlements and that, as long as there was any reasonable prospect of bringing the parties together and concluding an amicable settlement, the claim should be retained by the Restitution Agency. However, the moment either the parties did not want to continue negotiations or discussions relating to an amicable settlement, or the Restitution Agency itself felt further negotiations or discussions would be useless or there was a substantial legal question which the Restitution Agency believed should be decided by the Restitution Court, then the claim should be referred to the Restitution Courts. At this point Mr. Porter emphasized the desirability of disposing of as many petitions as possible through amicable settlements, but that the Restitution Agency should not unduly delay action on the petitions where such delay was unlikely to result in amicable settlements. The Restitution Courts are charged with responsibility for all legal determinations or decisions on claims and even though the work load on the courts might be increased considerably, it was nevertheless a possibility and a problem that would have to be met when and as it arose. The retention of claims beyond a reasonable period of time by Restitution Agencies is not desirable and would result in discrediting the Restitution Program.

4. Mr. Porter secured confirmation of the fact that, as petitions are received, the LCAH's office is advised and appropriate Property Control action taken if the property which is the subject of the claim is not already under control.

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5. Mr. Porter also confirmed the segregation of the Restitution Agency in a separate room from the LCAH's Office. Present personnel consists of two specialists in restitution matters and two secretaries. A third person on a part-time basis will be added to personnel for restitution matters beginning with 24 January 1949. This person will become head of the Land Central Office for Restitution. Assurances were given by both the LPCC and LCAH that, if and when the work load in restitution increased, space, personnel, supplies and facilities would be made available. No difficulty on this score is expected. Mr. Porter pointed out that, notwithstanding the small number of petitions to date and the relatively small number of properties under control in the duress category, a substantial increase could be expected in the work load of the Restitution Agency and that plans should be made in advance of such increase so that personnel might be adequately trained and facilities and supplies made available, when the need presented itself. The LPCC and the LCAH agreed to give this matter their immediate consideration.

6. Mr. Porter inspected the LCO's Office and the records presently being maintained with respect to petitions and reports. While these records are sufficient for the relatively small number of cases now being handled, it was pointed out that, with any substantial increase in petitions, such records would prove inadequate. Suggestions were made for modifications in the maintenance of records on the basis of a register set up alphabetically according to the names of petitioners or restitutors and that a cross index card system be maintained to bridge the two types of registers. Mr. Schmeisser agreed with Mr. Porter's suggestions and indicated that he would give the matter his attention immediately. Mr. Porter suggested, however, that no definitive action should be taken until Mr. Loewenthal's visit, at which time the entire reporting system would be explained in detail. At that time, it would be possible for Mr. Schmeisser to establish a recording system for the office which would more effectively correspond to the requirements of said general reporting system.

7. Mr. Porter also indicated to the LPCC, LCAH and LCO, that in the near future appropriate instructions would be received concerning the type of administration for which the Land would be held responsible. It was pointed out that certain information would be requested concerning the qualifications of personnel involved in restitution work.

8. Meeting with Director of OMG - Bremen

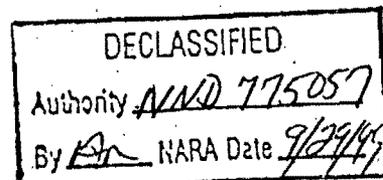
a. At 1400 a meeting was held in Captain Jeffs' Office, Director of Military Government for Bremen; also present were Mr. Goehring, LPCC for Bremen; Mr. Hartzsch and Mr. Porter.

b. Mr. Hartzsch pointed out that on 26 June 1948 General Clay approved a program providing for the liquidation of the Property Control and External Assets Branch and most of its functions at both OMGUS and Land levels by 1 July 1949. To accomplish this task numerous recommendations were made to and approved by General Clay. The purpose of this discussion was to review the progress made at Land Bremen, indicating the remaining problems and to suggest certain solutions, so the program can be carried out as planned. Each category of property under control was reviewed and specific recommendations made.

NSDAP MEMBER PROPERTIES:

a. It was pointed out that with respect to this category of properties the showing made in Bremen was a very good one. 90.6% of the units and 58.7% of the value of such properties under control have been released from control. Analysis further indicates that there remain under control 252 units of such properties valued at 106,000,000 marks. All of these properties belonged to Class I or II Nazis. It

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✓ was further indicated that two properties belonging to individuals in the above category account for 92,000,000 marks. They are the Fock Wulf properties valued at 11,000,000 marks, and the Krupp properties valued at 81,000,000 marks. It was indicated that until these cases, now before the various Tribunals, are finally adjudicated these properties cannot be released from control.

UNITED NATIONS, NEUTRAL AND ABSENTEE OWNED PROPERTIES:

a. The only weak spot apparent in Bremen it was indicated existed in this category of properties. It was pointed out that only 34.9% of the units of such properties under control have been decontrolled since 25 June 1947; accounting for 41.7% of the value of all such properties decontrolled. This, it was pointed out, was one of the poorest showings of any of the Laender. At this time, there are 394 such units under control valued at 35,000,000 marks. Analysis further shows that 5 units of such properties account for 29,000,000 marks in valuation; these belong to the following owners: United Fruit (U.S.) 8,000,000 marks; London Assurance (British) 4,300,000 marks; Nordeutscher Lloyd (U.S.) 8,400,000 marks; Bremer Vulkan (Dutch and Swiss) 7,100,000 marks; Atlasswerke A.G. (U.S.) 1,500,000 marks; total 29,300,000 marks.

RECOMMENDATIONS:

a. It was recommended that each of these five owners be written personal letters by the LPCC pointing out the advantage of taking over control of their properties, in view of the fact that supervisory fees will be charged in the very near future by German authorities, if such properties are not decontrolled prior to the enactment of the necessary legislation. It appears inconceivable that owners would not decontrol in such instances as the fees would be substantial. Mr. Goehring approved the recommendation and stated he would immediately adopt it.

OTHER CATEGORIES OF PROPERTIES:

a. The release from control of properties belonging to I. G. Farben and NSDAP Organizations have been accomplished 100%. Briefly stated the entire picture presented in Bremen is a most encouraging one.

INTERNAL RESTITUTION PROGRAM:

a. Mr. Porter was then requested by Mr. Hartzsch to outline the present status and the anticipated problems connected with this program. After briefly reviewing the subjects discussed in the morning session, it was pointed out that the cooperation of Captain Jeffs will be most helpful at present when it is most important to establish the Restitution Program on a sound basis and hereafter when assistance may be necessary in terms of personnel, facilities, supplies, etc. Mr. Porter indicated that the Restitution Agency and Courts might encounter some difficulty in securing financial assistance from the German Government, necessary to accomplish the execution of the Restitution Program. It was stated that, as a matter of policy, Military Government was interested in winding up the entire Restitution Program as early as possible and within a two to three year period. Most of the presently existing uncertainty with regard to titles to properties and the present burden on the German economy and people should be eliminated at the earliest practical date. Captain Jeffs was in full agreement with the views expressed by Mr. Porter and promised his full cooperation. He indicated that he expected no difficulty with the German authorities in the matter but that, if necessary, he would intervene and see to it that everything that was necessary was made available to accomplish this objective.

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## II. HESSE

1. A meeting was held with Mr. Sheehan, Deputy Director of Military Government for Hesse (Dr. Newman being in the U. S.); Mr. John Cain, Land Property Control Chief; Mr. Hartzsch, Chief, Property Control and External Assets Branch, Property Division, OMGUS; and Mr. Porter, P.C. & E.A. Branch, Property Division, OMGUS. Mr. Hartzsch stated that the purpose of the meeting was to discuss the entire field of Property Control and Internal Restitution as affected by the Liquidation Program and its application to OMG Hesse. Mr. Sheehan was told of the aims and objectives of the Liquidation Program, approved by General Clay on 26 June 1948, and also of the six months progress report submitted to General Clay early in January 1949, and of the recommendations made in said report and approved by General Clay. It was stated by Mr. Hartzsch that after 1 July 1949 there will be no Property Control and External Assets Branch at either OMGUS or Land level. It was pointed out that at the present time a German Central Property Control Co-ordinating Committee was being trained to take over most of the remaining functions of the Property Control and External Assets Branch, OMGUS. Practically all unfinished business on 1 July 1949 will be transferred to and made the responsibility of this German Committee. The degree of accomplishment in Hesse under the various plans providing for the release from control of the various categories of properties under control was then reviewed.

### NSDAP MEMBERS:

1. Mr. Hartzsch stated that he would review these categories of properties and would proceed from the best results to the more troublesome ones. It was pointed out that Hesse had an excellent record having released from control 92.8% of the units and 76.0% of the value of such properties. This is all the more remarkable in view of the fact that only two months ago Hesse had the poorest showing of any Land. Mr. Hartzsch took this opportunity to express his appreciation to Mr. Cain for applying the necessary pressure to bring this category of properties in line with the other Laender.

### NSDAP ORGANIZATIONS:

1. It was pointed out that the results attained in this category is poor at best. 56.6% of the units of such properties accounting for 69.6% of the value in this category have been released from control. It was pointed out that the deadline for the acceptance of such properties by successor organizations expired on 19 November 1948. Allowing for the time lag in reporting the necessary paper work, it was felt that all of the remaining properties should have been transferred to the Land within a month and certainly by the end of 1948. This, however, has not been the case. It was stated by Mr. Cain that with the exception of the Reichsnaerstand, the Red Cross and certain Student Organizations that all other properties in this category will be released from control by 28 February 1949 and will reflect in the March statistical report. The entire question of the unusually long period of time required to record accomplished facts in Hesse was reviewed. Mr. Hartzsch pointed out that in many instances a three month period was customary and that such a period was unreasonable. Mr. Cain pointed out that the Hessian authorities even after signing the customary receipt for such properties did not reflect the transaction in their Property Control records until in many instances three months later giving as an excuse the fact that they had to search for adequate custodians or that the Land Minister charged with the responsibility for this property had not had an opportunity to inspect it. It was pointed out by Mr. Hartzsch that the following procedure be used. At the signing of the receipt form by the Land authorities that the property be immediately transferred to the Land authorities, a letter of transmittal to the Land authorities to be exchanged at the time the receipt is received by the Property Control authorities informing them that the responsibility for the property is no longer that of Property Control but hence-forth belongs

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to the Land and is their property. In the absence of their appointed agent to operate the property, they are to be informed that the present agent will hence-forth be the agent for the Land, responsible to them and accountable to them. This would accomplish three things:

a. It would speed up action on the part of the Land in either accepting the former custodian or appointing a new one immediately.

b. It would result in practically recording immediately the transaction on Property Control records and would certainly result in having the transaction recorded within the usual allowable one month period.

c. It would put the Land on notice that from the date of the signing of the receipt they are fully responsible and would thus prevent any misunderstanding in the event that something happened to the property during the period that the receipt was signed for, and the actual taking over of, the property by the Land. Mr. Cain stated that he would adopt this recommendation. With reference to the Red Cross, etc., no action can be taken until the necessary legal opinion is received from OMCUS Legal Division.

UNITED NATIONS AND NEUTRAL PROPERTIES:

1. Mr. Hartzsch pointed out that with the exception of Berlin, the showing made in Hesse with respect to decontrolling, this category of properties is the poorest in the entire U. S. Zone. Ever since the beginning of the Decontrol Program on 25 June 1947 only 20.7% of the units of such properties under control and 29.5% of the value of such properties under control have been decontrolled. An analysis of this poor showing indicates the following: at the present time, there are according to the records 2,705 units valued at 342,000,000 marks still under control. Included in the above figures still reported as being under control are the following:

a. Adam Opel valued at 185,000,000 marks, decontrolled October 1948;

b. Deutsche Gasolin 228,000 marks, decontrolled 15 June 1948;

c. Quarzlampen 2,500,000 marks, decontrolled 25 October 1948;

d. Deutsche Kohlenbuersten 1,150,000 marks, decontrolled 11 December 1948;

Total 188,878,000 marks.

The above properties, however, it will be noted, were decontrolled a long time ago but again due to the unusually long time lag, it can only reflect a poor accounting system, these properties have not yet been recorded as having been decontrolled. Thus, it will be noted that if these decontrolled properties had been recorded an additional 55% of the value of such properties would have reflected in the records, and that at least the percentage of value would be almost on a par with the results in the other Laender. However, these four properties would not help the poor percentage of units decontrolled. Mr. Hartzsch further analyzed the problem, it was pointed out that a recent analysis showed that there are forty four units of properties under control with a valuation in excess of 100,000 marks each, and that this 44 item group has a valuation of 92,000,000 marks. This is 27% of the amount still shown as being under control. It was, therefore, recommended that the Land Property Control

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Chief write personal letters to each of the 44 owners advising them of the Decontrol Program and recommending compliance therewith. This procedure to be followed each month, and at the same time advising the owners of Military Government policy pertaining to such properties. Mr. Cain stated that he will personally look into the matter and write the necessary letters. It was also recommended that the reporting system be carefully checked into, and necessary corrective action taken. Mr. Cain stated that this would be done.

OTHER COMMENTS:

1. The question was raised as to any other possible recommendations. It was stated that at times unnecessary delay is caused by the desire of Hessian Property Control insisting upon the use of command channels. It was recommended that the procedure outlined in Title I, namely, the use of functional channels be used in every case except major changes in policy. Mr. Sheehan approved the recommendation as did Mr. Cain. It was agreed that henceforth all implementation would be submitted through functional channels.

2. At 1605 Mr. Hartzsch completed the first phase of the discussion, at which time Mr. Sheehan stated that it was a most interesting meeting, and that we could count on his full cooperation in carrying out the Liquidation Program.

3. At the request of Mr. Sheehan, that part of the conference dealing with Internal Restitution was postponed until 1500 Friday, 21 January 1949.

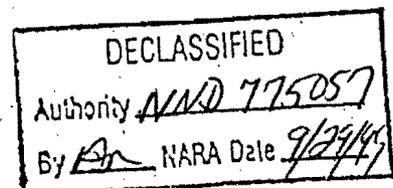
INTERNAL RESTITUTION:

1. Present were Mr. Sheehan, Mr. Cain and Mr. Porter.

2. Mr. Porter opened the conference by stating that contrary to other categories of properties which are presently in process of release from control, duress properties may be expected to increase and the burden upon the German agencies connected with the Restitution Program may be expected to continue for a period of several years. Mr. Porter outlined the objectives of Military Government Law No. 59, touched upon the Property Control aspects of the program, indicated the uncertainty of titles to duress properties, and the consequent burden upon the German economy and German people, and stated that the aim of Military Government was and will be the completion of the Restitution Program as quickly as possible and with maximum degree of justice to all parties concerned.

3. In order to give the Acting Director some conception of the scope of the problem, Mr. Porter mentioned the latest statistics available both for the entire U. S. Zone and for Land Hesse in particular. It was pointed out to Mr. Sheehan that of the 31,472 duress properties under control with an estimated value of 1,287,000,000 marks, Hesse accounted for 13,338 with an estimated value of 295,000,000 marks. Mr. Sheehan was also informed that to date Hesse had received approximately 2,300 petitions, running second among the Laender for total number of petitions received; moreover, that, if the same percentages continued with respect to distribution of petitions, Hesse might receive anywhere from 50,000 to 60,000 petitions of which 25,000 to 30,000 would probably involve substantial questions. The impact of this number of petitions on the agencies and courts was emphasized and it was pointed out that even though a considerable number might be disposed of because of insufficiency or duplication, nevertheless all petitions had to be processed. It was pointed out to Mr. Sheehan that to date the Central Filing Agency had received petitions in excess of 200,000 and that the final number might reach 225,000.

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4. Mr. Sheehan was considerably surprised by the total number of claims involved and appreciated the burden upon the agencies and courts connected with the program and asked numerous questions concerning many of the problems inherent in the execution of the program.

5. Mr. Porter pointed out that, insofar as present work load is concerned, Hesse administratively is very well organized and has been doing very good work. One possible area of weakness, however, in the performance of the agencies and courts to date has been the backlog in connection with the completion of services on interested parties (approximately 50% of total petitions received) and the fact that the Restitution Chambers have not as yet decided any cases referred to them by the agencies. It was indicated that coordination with Legal Division with respect to the latter point is very desirable and Mr. Sheehan agreed. Mr. Cain was asked by Mr. Sheehan to coordinate with Legal Division and secure information concerning the activities of the Restitution Chambers on cases referred to them by the Restitution Agencies.

6. Mr. Porter furnished Mr. Sheehan with the organizational setup of the Restitution Agencies and Chambers and Oberlandesgerichte in Hesse and the average number of personnel in the Restitution Agencies. Mr. Porter then indicated that, on the basis of the anticipated number of petitions and claims which Hesse would receive, it was absolutely essential that the full support of the German government should be enlisted and secured in terms of financial appropriations, personnel, facilities and supplies for the execution of the program. Mr. Porter indicated the restrictions presently existing on employment of personnel, the reductions in personnel, and the reclassification of personnel as seriously impairing the proper functioning of the Agencies and Courts. Mr. Porter recommended that the Acting Director discuss the matter with the appropriate German governmental officials to secure the elimination, suspension or relaxation of these restrictions and to secure sufficient budgetary appropriations and allocations for the expansion of organization and personnel required for the execution of the Restitution Program. Mr. Porter furnished the Acting Director with a copy of AG letter O10.6 (PD), dated 12 January 1949 which Mr. Sheehan read. After reading of the same Mr. Sheehan instructed Mr. Cain to prepare necessary letter of implementation addressed to the Minister President. Mr. Porter, however, suggested that Mr. Cain first communicate with the Restitution Authorities, have them prepare an estimate of their needs on the basis of the anticipated work load, and then address a communication to the Minister President based upon such survey. This was agreed to by Mr. Sheehan and Mr. Cain.

7. Mr. Porter then briefly touched upon the type of supervision that would be exercised by Property Control at OMGUS level, Property Control and Legal at Land level, and the reporting system which is to be put into operation. Mr. Porter also indicated the position of JRSO in connection with the Restitution Program and its accountability to OMGUS for all of its operations. Both Mr. Sheehan and Mr. Cain agreed with Mr. Porter on the matter of close coordination between Legal and Property Control at Land Level.

8. Mr. Sheehan asked numerous questions concerning various aspects of the program, problems connected therewith, and in general evinced considerable interest and promised full cooperation to Mr. Cain's office as well as to Property Control and External Assets Branch, OMGUS, in connection with the program and securing all necessary support for the German authorities for the proper functioning and execution of the program.

9. With respect to inspections conducted by this Branch, it was agreed that contact by personnel of this Branch with Mr. Cain's office would be sufficient and that it will not be necessary for Mr. Loewenthal or any of his inspectors to contact any other agency before making such inspections in Hesse.

10. Finally, it was agreed that reports would be submitted

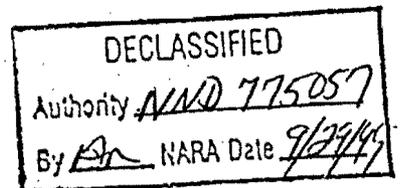
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to Military Government for Hesse through Mr. Cain's office from time to time as might seem desirable with respect to any aspects or problems arising in connection with the Restitution Program.

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### III. STUTTGART

1. A meeting was held in Stuttgart on Monday, 24 January 1949, at 1600, with Major General Gross, Director of Military Government, OMG Wuerttemberg-Baden; Mr. Zinn Garret, Land Property Control Chief, OMG Wuerttemberg-Baden; Mr. Hartzsch and Mr. Porter, OMGUS.

2. Mr. Hartzsch opened the discussion by outlining the purpose of the meeting; namely, to review the Property Control, Internal Restitution Program, and the present status of such programs in Wuerttemberg-Baden. With reference to the Property Control Program, it was stated that Wuerttemberg-Baden has made the best showing under the various disposition programs and that the Branch appeared to be in excellent hands. It was indicated that under the program for releasing properties belonging to NSDAP Members and Black-Listed Persons that 88.1% of the units and 88.8% of the value of such properties have been released from control. With reference to United Nations and Absentee Owned Properties 60.4% of units and 76.3% of the value have been decontrolled. With reference to NSDAP Organizations 98.1% of units and 96.0% of value were released from control. With reference to I. G. Farben Properties the program is 100% completed. These percentages lead all the other Laender and it is a most satisfactory showing. One suggestion was made, however, with reference to United Nations' properties; it was pointed out that 47 properties valued at over 90,000,000 marks remained under control in this category. It was suggested that, the Land Property Control Chief write personal letters to these owners and follow them up each month until the properties are decontrolled. This group alone accounts for approximately 80% of the value of United Nations Properties still under control as of 31 December 1948.

3. Mr. Porter then reviewed the Internal Restitution Program. Because of General Gross' unfamiliarity with Property Control matters, he was furnished with detailed explanation as to the type of properties which are involved in the Restitution Program. He was then given the general idea of the objectives of the Law, the scope of the Program in the U. S. Zone and in Wuerttemberg-Baden, the aim of Military Government to complete the execution of the Program within the earliest possible period, and specific information concerning the present status of the Restitution Program, the anticipated work load that might be expected and the problems connected both with present work load and the anticipated work load. In the development of the discussion General Gross asked numerous questions relating to the difficulty of the program and serious problems that might be expected to arise. He showed marked interest in the organizational and administrative aspects of the Program, expressed the opinion that it was a monumental task, and stated that he would be glad to give any assistance possible both to Mr. Garrett, LPCC for Wuerttemberg-Baden, and to this office in the accomplishment of the Program.

4. The performance of the Restitution Agencies in Wuerttemberg-Baden to date was given in detail. It was, however, pointed out to General Gross that the same obstacles and limitations that held true for the rest of the Zone with respect to employment of suitable and qualified personnel, facilities, supplies, etc., held true to a great degree in Wuerttemberg-Baden. In this connection Mr. Porter mentioned the fact that the Ministry of Justice had made a direct appeal for intervention to secure sufficient financial allowances in order effectively to do what is necessary in connection with the Restitution Program which had thus far been met with outright refusal on the part of the German governmental officials. Mr. Garrett confirmed this information and indicated that he had already prepared a letter which was ready for dispatch to the Minister President and which was designed to correct this situation. Mr. Porter furnished both General Gross and Mr. Garrett with copies of letter AG 010.6 (PD), dated 12 January 1949, and emphasized that, on the basis of such letter, the

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Minister President should be earnestly requested or instructed to provide necessary funds, personnel, facilities, supplies, etc., to the Restitution Agencies and Courts so that they will be properly equipped and organized to cope with the anticipated work load. General Gross and Mr. Garret agreed to take the necessary action at once.

5. Mr. Porter then briefly touched upon the reporting system which is to be put into operation and described the nature and extent of supervision that would be expected at Land level. There was some discussion concerning the possibility of eliminating Property Control at Land level after 1 July 1949. Insofar as the Restitution Program is concerned and with regard to the possible consequences of such action both General Gross and Mr. Garrett felt that it would be most desirable to retain sufficient personnel at Land level to render proper supervision even after that date. Mr. Hartzsch described the establishment of the German Central Coordinating Committee which has been formed and is being trained for the next six months and expressed his opinion that this Committee should be able to take over most of the responsibility for supervision of the Program by the German agencies and courts after 1 July 1949 as guided by certain American personnel who continue with Military Government attached to the office of one of General Clay's advisers.

6. General Gross was in complete agreement with the aim of Military Government to complete the Restitution Program as soon as possible but felt that estimates submitted by Mr. Porter that the Program should be substantially completed within two to three years were over optimistic in view of the many serious problems connected with the Program, the unpopularity of the Law and the resistance thereto on the part of present owners of properties who are now being called upon to return said properties. General Gross was considerably interested in the reporting system which is to be put into operation and expressed the opinion that it seemed sufficiently comprehensive to satisfy anybody.

7. The conference was concluded with General Gross' assurance that, insofar as his office is concerned, every assistance possible will be rendered to the LPCC for Wuerttemberg-Baden and the Property Control and External Assets Branch, OMGUS, for the proper execution of the Restitution Program.

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#### IV. BAVARIA

1. At 1400 hours, a meeting was held with Mr. Murray D. van Wagoner, Director of OMG Bavaria; Mr. Harris, Director of Property Division, OMG Bavaria; Mr. Lennon, Land Property Control Chief, OMG Bavaria; Mr. Hartzsch and Mr. Porter, OMGUS.

2. The purpose of the meeting was briefly reviewed by Mr. Hartzsch and the following comments were made.

##### NSDAP MEMBERS:

1. It was pointed out that with reference to the program providing for the release of properties belonging to NSDAP Members and Black-Listed Persons that 80.0% of the number of such properties and 63.9% of the value of such properties have been released from control. It was further pointed out that although this was the poorest showing of the four Laender, it was still considered fairly satisfactory. Mr. Lennon stated that, this program would be substantially speeded up during the next two months.

##### UNITED NATIONS AND NEUTRAL PROPERTIES:

1. With reference to the Decontrol Program providing for the decontrol of United Nations and other absentee-owned properties the record in Bavaria was second best in the entire U. S. Zone; 41.0% of the number of such properties and 71.8% of the value of such properties have been decontrolled to date. It was pointed out that of those properties remaining under control in this category as of 31 December 1948, 64 properties were valued at 68,000,000 marks. This accounts for approximately 25% by value of the remaining properties in this category. It was recommended that, the Land Property Control Chief write personal letters to these large United Nations, etc., owners.

##### NSDAP ORGANIZATIONS PROPERTIES:

1. With reference to properties belonging to this category, it was pointed out that 63.9% of the units and 20.4% of the value of such properties have been released from control. In view of the fact that all of these properties, with few minor exceptions, should have been transferred to the Land by this time, this is considered an unsatisfactory showing. Mr. Lennon stated, however, that everything would be done to complete this program within the next two months.

##### OTHER CATEGORIES OF PROPERTIES:

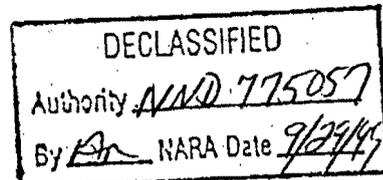
1. With reference to I. G. Farben Properties, the program is 100% completed.

##### INTERNAL RESTITUTION PROGRAM:

1. Mr. Porter informed Governor van Wagoner of the nature of the Restitution Program, its Property Control aspects, the objectives of Military Government Law No. 59, the present status of the Restitution Program for Bavaria, the anticipated work load and problems connected therewith and the implications of this Program on titles and the German economy and public. The aim of Military Government to complete the execution of the Program at the earliest date possible was also indicated.

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2. Mr. Porter pointed out that even on the basis of the present work load, performance on the part of the Restitution Agencies in connection with service of notice on interested parties was lower than in other Laender. This situation could be expected to become worse in the next four to six weeks when the Central Filing Agency would have completed the processing of petitions on hand down to Land level. The fact that none of the cases referred to the courts by the Restitution Agencies to date had been decided was also a matter of serious concern indicating the need for close coordination between Property Control and Legal Division at Land level. Mr. Lennon volunteered to take this matter up at once with Legal Division and this action received the hearty approval of Governor van Wagoner.

3. On an over-all basis, Mr. Porter pointed out the absolute necessity for the support of Governor van Wagoner to Mr. Lennon's office to secure the relaxation in present restrictions on employment of personnel and availability of facilities and supplies so that the Restitution Authorities could take proper measures to prepare organizationally and administratively for the anticipated work load which should develop within the next four to six weeks. Mr. Porter supplied Governor van Wagoner and Mr. Lennon with copies of letter AG 010.6 (PD), dated 12 January 1949, which was read and with respect to which agreement was reached that immediate corrective action would be taken. Mr. Porter suggested that the Restitution Authorities be requested to prepare an estimate of their needs which should be submitted to Mr. Lennon's office and on the basis of which Mr. Lennon should prepare a letter to the Minister President signed by Governor van Wagoner to secure the necessary funds, personnel, facilities, etc., required for the proper execution of the Restitution Program. Mr. Lennon promised to secure a report on the status of Restitution cases in the Chambers at the earliest possible date through the Legal Division which would be transmitted to this office.

4. There was general discussion concerning the entire Restitution Program in which Governor van Wagoner asked many pertinent questions and in general evinced much interest. He agreed wholeheartedly with the aim of Military Government as expressed by Mr. Porter that the Program should be completed as soon as possible. He was, however, fully aware of the serious problems connected with the Program and expressed his opinion that it would be quite an achievement to complete the Program in the time hopefully mentioned by Mr. Porter. However, he stated that it was a target well worth shooting at.

5. In connection with this report it should be mentioned that Governor van Wagoner signed the letter prepared by the Office of the LPCC in coordination with Legal, which directs the Minister President for Bavaria to suspend the recent ordinance which would create a new Restitution Authority and would vest responsibility for this agency in Dr. Auerbach.

6. On the basis of information given by Mr. Loewenthal which showed malpractice on the part of personnel connected with the Office of Property Controllers, the LPCC's office as well as on the part of Dr. Auerbach and Dr. Endres (exercise of undue influence on the part of both the latter before Agencies and Courts), Mr. Porter made arrangements with Mr. Lennon for a meeting to be scheduled in the near future which would have as its aim the clarification of policy as to the type of supervision which this office will require at Land level. This meeting will be attended by all Property Controllers and their chief German officials. Mr. Porter will, at this meeting, indicate some of the abuses on the part of Property Control personnel in supervision exercised by them and clarify the type of supervision which, as a matter of policy, will hereafter be exercised.

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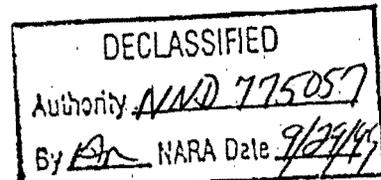
Mr. Lennon, in preparation for this meeting, will make an investigation of some of the specific matters submitted to him by Mr. Porter and render a report thereon to this office.

7. Insofar as Drs. Auerbach and Endres are concerned, Mr. Porter has requested Mr. Loewenthal to prepare report which will specifically detail abuses in authority and practice on the part of these two officials connected with Restitution matters for referral to Legal Division and with a view to securing corrective action.

8. On the basis of Mr. Loewenthal's findings it is apparent that Bavaria which may be expected to receive a large portion of the claims has many serious weaknesses requiring special consideration at this time and closer supervision hereafter. These weaknesses relate to the type of supervision being exercised by the personnel connected with the LPCC's or PC's Office as well as the abuses of power, authority and position on the part of German key officials for political purposes. The intervention of Dr. Auerbach before Agencies and Courts and his influence on Agencies and Courts in connection with amicable settlements and Court decisions tends to discredit the entire program. In too many cases he appears to be exceeding his authority and acting in dual capacities so that it is apparent that he is motivated by conflicting interests. Every effort will be made to steer these gentlemen into correct channels. Specific recommendations were promised and Director van Wagoner assured us of his full cooperation.

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#### V. BERLIN SECTOR

1. A meeting was scheduled in Berlin Sector for 1400 hours, Wednesday, 2 February 1949, but due to the fact that Colonel Howley, Director of Military Government for Berlin Sector, was detained, the meeting was postponed until the following day at 1400. As Mr. McNulty, the LPCC, and his Deputy, Mr. Gregg, were ill neither could attend the conference held with Colonel Howley on Thursday, 3 February 1949. Those present were Colonel Howley, Mr. Hartzsch and Mr. Porter.

2. Mr. Hartzsch opened the discussion with a review of the measures intended for the liquidation of Property Control in the American Sector of Berlin, as approved by General Clay. Mr. Hartzsch reviewed each category of property specifically and indicated briefly the action that would be taken with respect to each category of property in the near future so as to bring about the termination of Property Control at the earliest possible date. The Director was advised that insofar as the LPCC's office is concerned, American responsibility would terminate as of 1 July 1949, at which time a Central German Coordinating Committee, or its equivalent for Berlin, would assume responsibility.

3. Colonel Howley appeared surprised that this program applied to Berlin Sector. As Colonel Howley was mainly interested in the recommendations, approved by General Clay, they were read to Colonel Howley:

a. A German Property Control Supervisory Agency is to be established in Berlin Sector; every effort to be made to establish this on a tri-sector basis, financed by the Magistrate. If this fails, an organization is to be established on a unilateral basis in the U. S. Sector, financed by a small charge against all properties under control in Berlin Sector.

b. In view of the fact that United Nations and neutral owners having properties in Berlin Sector do not take advantage of the Decontrol Program, as it would jeopardize their equity, legislation providing for a moratorium on pre-surrendered debts is to be promulgated. After the promulgation of such legislation, renewed efforts should be made to contact the absentee owners of properties. Special attention should be given to the 47 properties in this category valued at over 100,000 marks each, and having a combined value of 242,000,000 marks or approximately two thirds of the value of all properties in this category.

c. A speed up program in releasing Nazi Member properties from control was advocated in line with the policy established in the U. S. Zone.

d. Nazi Organization properties are to be given special attention as provided for in Control Council Directive No. 50. Properties which rightfully should go to the Labor Organization known as UGO are to be transferred to that organization as soon as legally constituted to hold real estate and approved by Military Government. Consumer Cooperatives' properties, formerly belonging to GEG, are to be returned to that organization. Those properties in this category not transferred within a reasonable time should be transferred in accordance with provisions of Control Council Directive No. 50

4. Mr. Porter briefly indicated that it is intended to extend Military Government Law No. 59 to Berlin and inquired whether the Director knew of any obstacles to such extension, either on the basis of the present political organization of the Western Sectors of Berlin, or on the basis of the contemplated Land organization of the Western

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Sectors of Berlin. Colonel Howley stated that anything that could be done under the present situation could also be done if and when the Western Sectors of Berlin are given a Land status. Colonel Howley, in answer to an inquiry by Mr. Porter, stated that a Land government should be set up within the next few weeks.

5. Both Mr. Hartzsch and Mr. Porter indicated that Mr. McNulty might require the assistance of the Director in securing the necessary implementation of various measures for accomplishment of the Liquidation Program and the extension of Military Government Law No. 59 to the U. S. Sector of Berlin. Colonel Howley indicated that, upon receipt of proper instructions, he would be glad to render every assistance possible.

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12 November 1948

**SUBJECT: Report of Audits of the Four ICAKs' Accounting Offices and  
Property Control Branch, OMG Berlin Sector**

**TO : Mr. Fred E. Hartsch**

**INDEX**

- I. Purpose**
- II. Scope**
- III. Itinerary and Work Schedule**
- IV. Discussion of Statistical Findings**
- V. Probable Causes of Delays**
- VI. Other General Problems**
- VII. Recommendations**

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I. PURPOSE:

1. These audits were undertaken to determine the timeliness of the booking and reporting of Property Control transactions. It is recognized that the Property Control Statistical Report (MG/PC/6/F) for September 1948, for example, cannot reflect every transaction completed in the month of September because of the necessary time lag involved in the preparation, forwarding, and compilation of feeder reports, such as MG/PC/2/Fs, MG/PC 3s, etc. As a standard, a lag of one (1) month has been assumed as the normal time required from the completion of any transaction until the time it is properly booked and ready to be reported. Thus, the Property Control Statistical Report dated 30 September 1948 would, if this norm were achieved in every instance, represent the status of properties on 31 August 1948. Certain comparisons of extraneous statistics on specific categories with the Property Control Statistical Report have, however, tended to indicate that the time lag in reporting greatly exceeds the norm of one month in many and in important instances. These audits were therefore arranged to ascertain the exact time lag now being experienced by each of the four Laender and Property Control Branch - OMG Berlin Sector.

II. SCOPE:

2. The scope of these audits extended only to the determination of the facts with respect to the time lag. It was not possible within the time available for each audit to make any complete investigation as to causes in those cases where the time lag exceeded the norm. However, procedures in effect in the office at Land level were reviewed so far as possible, and inquiries as to their effectiveness were made of responsible officials. Results of such reviews and inquiries are discussed in the appropriate section of the individual reports.

3. The figures reported in the Property Control Statistical Report for September 1948 were the basis of these audits. Work in process in each office representing transactions to be booked and reported in periods subsequent to 30 September 1948 were also reviewed and averaged as to date effected.

III. ITINERARY AND WORK SCHEDULE:

4. The itinerary and the actual time spent on the audit of each office are as indicated hereunder:

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Report of Audits of the Four IOAHs' Accounting Offices and Property Control Branch, OMG Berlin Sector (cont'd)

Land	Auditors	Time Spent		
		Dates	Days	Total
a. Hesse	M.L. Sanford	6 - 8 Oct 48	3	10
	E.F. Schaller	6 - 8 Oct 48	3	
	R. Schaefer	6 - 8 Oct 48	3	
	H.O. Wettstein	8 Oct 48	1	
b. Bavaria	J.S. Korfanty	11 - 12 Oct 48	2	7
	R. Schaefer	11 - 15 Oct 48	5	
c. Wuerttemberg/ Baden	K.L. Sanford	( 15 Oct 48)	2½	6
		(18 - 19 Oct 48)		
	E.F. Schaller	(15 - 16 Oct 48)	3½	
		(18 - 19 Oct 48)		
d. Berlin Sector	J.S. Korfanty	26 - 27 Oct 48	1½	4½
	H.O. Wettstein	26 - 28 Oct 48	3	
e. Bremen	K.L. Sanford	28 Oct 48	1	3
	R. Schaefer	28 - 29 Oct 48	2	
f. Total man-days, exclusive of travel time				<u>30½</u>

IV. DISCUSSION OF STATISTICAL FINDINGS:

5. The concept of a "median" average date has been used throughout in these audits because of its particular suitability to the situation. A "median" average is that "score" (i.e., date, dollar amount, age, etc.) in a statistical series with as many scores above it as below it. It differs from a "mean" average in that the latter represents the arithmetical total of all the scores in a statistical series divided by the number of the scores included in the total.

6. That the use of median average dates is particularly suited to these audits can be appreciated after considering the matter hypothetically. Assuming it were mechanically possible for all concerned to record Property Control transactions on the day they occurred, and assuming also an even flow of work from day to day without a backlog, the median average date of transactions reported in September 1948, for example, would be 15 September 1948. This would represent, of course, 100 percent perfection in current reporting. Thus, by this method, we are able to narrow the transactions reported during a given month to an easily ascertainable date

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**Report of Audits of the Four LCAHs' Accounting Offices and Property Control Branch, OMB Berlin Sector (cont'd)**

which represents the mid-point of that month. This date can be compared with the mid-point date of the hypothetically "perfect" month to determine the exact time lag.

7. For the purposes of these audits, however, we have assumed as the norm a time lag of one month to allow for the preparation, transmittal, and recording of MG/PC/2/Fs and MG/PC 3s. On this basis, the norm median average for transactions reported in September 1948 would be 15 August 1948. In other words, since a certain length of time must be taken for preparing, transmitting, and recording of feeder reports, the best we can hope to achieve is the case where the Property Control Statistical Report for September 1948 would reflect properties under control as of 31 August 1948. The norm is based upon the assumption that, under a reasonable efficient set-up, no more than one month is needed from the date a transaction occurred until it is recorded in Property Control accounts. In this connection, it is interesting to note that this norm was achieved in two instances within a week and exceeded by two weeks in one other instance.

8. Schedules 1 and 2 are consolidations for comparison purposes of statistical findings which have been explained in detail in the individual reports for each Land and OMB Berlin Sector. No further comments are therefore made with respect to any of the individual findings. The data in the "Total" column indicate that our Property Control Statistical Report for September 1948 reflects a time lag of two months in excess of the norm, or an absolute lag of three months. Stated in another way, total properties under control on 30 September 1948 as shown in the September Report represent substantially total properties under control on 30 June 1948.

9. It may be mentioned that this consolidation seems to point up a rule, namely, the efficiency of an organization seems to vary in inverse ratio to its size. It is not intended to suggest in this connection that Bavaria is the least efficient in over-all Property Control operations, other than the accounting function, that Hesse is the next least efficient in this regard, etc. To make such suggestion it would be necessary to assume that over-all Property Control operations in each Land were exactly on the level of efficiency as the accounting function. Needless to say, such assumption would be highly questionable unless considerable factual evidence in support thereof were available.

**V. PROBABLE CAUSES OF DELAYS:**

10. In general, the delays in reporting were the result of overly-elaborate and time-wasting procedures in the handling of basic documents at all levels of the Property Control organization. It does not appear that such procedures are the result of the lack of emphasis by LPCCs on

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the necessity of expeditious handling of such documents. Rather, it appears to be the combination of bureaucratic thinking inherent in the German civil service set-up with inadequate check-ups by LPCCs to correct the worst features of such thinking. Take, for example, the matter of the handling of releases in Hesse in the case where the release of a property must originate at LCAH level, such as in connection with NSDAP organizations. In such cases, all the preliminary work in connection with the release is done at that level. When the property is ready for release and title has been transferred to the recipient, the Releases Section of the LCAH Office prepares an MG/PC 3 and forwards it to the CAH concerned. Such MG/PC 3 is, in effect, an order to the CAH to make physical release of the property to the recipient. After this is accomplished, the CAH returns the MG/PC 3 to the LCAH's Releases Section, with a remark thereon that physical release of the property has been effected. It is only at this point that the MG/PC 3 is referred to the Accounting Section for reflection in the records. Why an extra copy of the MG/PC 3 could not have been prepared by the Releases Section and referred to the Accounting Section at the time the original was sent to the CAH was not satisfactorily explained.

11. The deplorable situation in Bavaria, however, is in my opinion, the result not only of the factor covered in par 10, above, but also of much more fundamental organizational deficiency. When operational responsibility was transferred to the Bavarian Land government, the factor not taken into account in setting up their Land-wide organization was that a large organization such as theirs required much stricter controls than those needed in other Laender. This factor is usually stated somewhat as follows: While the increase in the size of an organization is in mathematical progression, the increase in administrative problems is in geometric progression. Stated more concretely, if the size of an organization is doubled, the administrative problems are quadrupled. Also, it is believed that decentralization has not been carried through sufficiently to permit optimum efficiency in all operations.

12. Over-all review of the situation in each of the offices concerned can lead to one basic conclusion, namely, the lack of continual general supervision of the German organizations in Bavaria and in Hesse, the former to a very great degree and the latter to a much lesser degree. The present situation in Bavaria could manifestly not have developed to that extent with adequate supervision. Nor could the time-wasting procedure in Hesse with respect to certain releases (see par 10, above) have been allowed to stand if the LCAH's operations were actually reviewed by the LPCC or one of his assistants periodically.

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Report of Audits of the Four LCAHs' Accounting Offices and Property Control Branch, ONG Berlin Sector (cont')

VI. OTHER GENERAL PROBLEMS:

13. No over-all recommendations with respect to other general problems are made since these have been covered in the individual reports.

VII. RECOMMENDATIONS:

14. It is recommended that at the next LPCC meeting, the following be given high priority on the agenda and be stressed by the CPGB: It is not sufficient merely to inform the LCAH of the latest policy or to instruct him to set up efficient and expeditious procedures. It is necessary also that the LPCC periodically review and inspect the LCAH organization to assure that the policy communicated to him is being executed, and that his procedures are working out with reasonable efficiency.

15. It is also recommended that much closer liaison be maintained between this office and our field offices (especially Bavaria and Hesse) than it was possible to maintain in the past. Except for Reich and duress properties, our policy on the disposition of all other properties is fairly well settled. It would, I believe, help considerably the successful completion of the Liquidation Program if personnel of this office made periodic inspections of both LPCC and LCAH offices. Teams consisting of personnel from various sections could do much to assist LCAHs' implement policy, meet deadlines, etc.

7 Incls:

- Incl 1 - Schedule 1
- Incl 2 - Schedule 2
- Incl 3 - Report on Bavaria  
w/5 Incls
- Incl 4 - Report on Hesse  
w/2 Incls
- Incl 5 - Report on Wuerttemberg/  
Baden w/1 Incl
- Incl 6 - Report on Bremen  
w/1 Incl
- Incl 7 - Report on Berlin  
w/1 Incl

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SCHEDULE 1

MEDIAN AVERAGE DATES OF TRANSACTIONS BOOKED

1. Transactions reported in September 1948:

- a. Units taken into control
- b. Units released
- c. Adjustments
- d. All transactions

e. Normal median average date for September 1948

f. Variations from norm for all transactions

Total	Bavaria	Hesse	Wuertt.-Baden	Bremen	Berlin	
1 July 47	1 July 47	30 June 48	2 Aug 48	4 Sep 48	3 Aug 48	
27 July 48	31 May 48	8 July 48	17 Aug 48	31 Aug 48	7 Aug 48	
21 July 48	13 Apr 48	9 Aug 48	26 Aug 48	-	30 Aug 48	
19 June 48	28 Mar 48	8 July 48	17 Aug 48	31 Aug 48	9 Aug 48	
15 Aug 48	15 Aug 48	15 Aug 48	15 Aug 48	15 Aug 48	15 Aug 48	
2 mos	4½ mos	1½ mos	no variation	½ mo	¼ mo	
<u>2. Transactions in process of being recorded at time of audit:</u>						
a. Units taken into control	9 Dec 47	21 Oct 47	29 July 48	1 Sep 48	14 Sep 48	13 Sep 48
b. Units released	4 Aug 48	19 July 48	13 Aug 48	28 Sep 48	27 Sep 48	29 Sep 48
c. Adjustments	10 Aug 48	22 Jan 48	13 Sep 48	22 Sep 48	7 Oct 48	12 Aug 48
d. All transactions	24 June 48	2 Mar 48	9 Aug 48	16 Sep 48	29 Sep 48	13 Sep 48
e. Normal median average date for transactions in process	7 Sep 48	2 Sep 48	1 Sep 48	5 Sep 48	15 Sep 48	15 Sep 48
f. Variations from norm for all transactions	2½ mos	6 mos	¾ mo	½ mo	½ mo	no variation

SCHEDULE 1

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SCHEDULE 2

NUMBER OF UNITS BY MONTH OR YEAR IN WHICH TRANSACTIONS OCCURRED

1. Transactions reported in September 1948:

1945  
1946  
1947  
First 6 mos 1948  
July 1948  
Aug 1948  
Sep 1948

Total

Total		Bavaria		Essen		Wuerttemberg/ Baden		Bremen		Berlin	
No	%	No	%	No	%	No	%	No	%	No	%
43	0.4	32	0.7	11	0.3	-	-	-	-	-	-
461	4.5	434	8.7	12	0.4	1	-	-	-	14	3.4
1 540	14.7	1 448	29.1	50	1.5	2	0.1	-	-	40	9.6
3 742	35.8	2 410	48.2	1 187	36.5	114	7.7	1	0.3	30	7.2
2 372	22.7	555	11.1	1 456	44.8	286	19.2	5	1.7	70	16.8
1 852	17.7	110	2.2	520	16.0	824	55.3	145	49.2	253	60.8
433	4.2	1	-	15	0.5	264	17.7	144	48.8	9	2.2
10 443	100.0	4 990	100.0	3 251	100.0	1 491	100.0	295	100.0	416	100.0

2. Transactions in process of being recorded at time of audit:

1945  
1946  
1947  
First 6 mos 1948  
July 1948  
Aug 1948  
Sep 1948  
Oct 1948

Total

107	1.0	102	1.5	5	0.2	-	-	-	-	-	-
604	5.6	577	8.4	27	1.2	-	-	-	-	-	-
2 077	19.3	2 054	29.9	20	0.9	-	-	-	-	3	0.4
2 730	25.5	2 250	32.8	363	16.8	48	5.3	2	1.4	67	9.9
1 243	11.6	732	10.7	430	20.0	47	5.2	1	0.7	33	4.9
2 254	21.0	1 069	15.6	868	40.3	157	17.5	-	-	160	23.7
1 407	13.1	71	1.0	439	20.4	556	62.0	85	59.4	256	37.9
316	2.9	10	0.1	4	0.2	90	10.0	55	38.5	157	23.2
10 738	100.0	6 865	100.0	2 156	100.0	898	100.0	143	100.0	676	100.0

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*John W. Brown*

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By BR NARA Date 9/29/45

12 November 1948

SUBJECT: Report of Audit of LCAH's Accounting Office, Land Bavaria

TO : Mr. Fred E. Hartzsch

INDEX

- I. Statistical Data
- II. Discussion of Statistical Findings
- III. Probable Causes of Delay in Reporting
- IV. Other Problems
- V. Recommendations
- VI. Remarks

Incl 3 to Incl 1

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**I. STATISTICAL DATA:**

1. The median average dates of transactions reported by the LCAH Bavaria for September 1948, as compared with the average for the other three (3) Laender and OMG Berlin Sector combined, (excluding Bavaria) are set forth in the following schedule:

	<u>Bavaria</u>	<u>Other Laender and OMG-BS (excluding Bavaria)</u>
a. Units taken into control	1 July 47	1 July 48
b. Units released	31 May 48	21 July 48
c. Adjustments	13 Apr 48	17 Aug 48
d. All transactions	28 Mar 48	22 July 48
e. <u>Normal</u> median average date for September 1948	15 Aug 48	15 Aug 48
f. Variations from norm:		
(1) Units taken into control	13½ mos	1½ mos
(2) Units released	2½ mos	¼ mo
(3) Adjustments	4 mos	no variation
(4) All transactions	4½ mos	¼ mo

2. The median average dates of transactions recorded by the LCAH Bavaria from the September closing date to 10 October 1948 as compared with the average for the other three (3) Laender and OMG Berlin Sector combined (excluding Bavaria) are set forth in the following schedule:

	<u>Bavaria</u>	<u>Other Laender and OMG-BS (excluding Bavaria)</u>
a. Units taken into control	21 Oct 47	5 Aug 48
b. Units released	19 July 48	25 Aug 48
c. Adjustments	22 Jan 48	13 Sep 48
d. All transactions	2 Mar 48	28 Aug 48

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	<u>Bavaria</u>	<u>Other Laender and OMO-BS (ex- cluding Bavaria)</u>
e. <u>Normal median average date for all transactions in process</u>	2 Sep 48	not applicable
f. Variations from norm:		
(1) Units taken into control	10½ mos	not
(2) Units released	1½ mos	appli-
(3) Adjustments	7¼ mos	cable
(4) All transactions	6 mos	

3. The schedule in par 2, above, represents transactions actually recorded by the LCAH in Property Control accounts since the date of the September closing. In addition, there was an exceedingly large backlog of MG/PC/2/Fs and MG/PC 3s which it was not feasible to include in the foregoing schedule because of its size. A count was made, however, of the number of each of the forms (with a separation of those MG/PC 3s which represented releases and those which represented adjustments) by the month rather than the day in which each such transaction was effected. The following schedule shows the results of this count. (It will be noted that no comparison is possible in this schedule with other Laender and OMO Berlin Sector since no unrecorded or unprocessed MG/PC/2/Fs and MG/PC 3s of this magnitude were found in any office other than in Bavaria.)

a. Taken into control (MG/PC/2/Fs)	3 Apr 48
b. Releases (MG/PC 3s)	14 July 48
c. Adjustments (MG/PC 3s)	12 Mar 48
d. All transactions	8 Apr 48
e. <u>Normal median average date for transactions in process</u>	2 Sep 48

Report of Audit of LCAH's Accounting Office, Land Bavaria (cont'd)

f. Variations from normal

- (1) Taken into control 5 mos
- (2) Releases 1½ mos
- (3) Adjustments 5¼ mos
- (4) All transactions 4½ mos

4. The number of units by month or year in which the transactions reported in September 1948 were actually effected, as compared with total reported in September 1948 by the other three (3) Laender and OMG Berlin Sector (excluding Bavaria) are set forth in the following schedule. Percentages to total units have also been computed for more easy comparison. (This schedule is related to the one listed in par 1, above.):

	Bavaria		Other Laender and OMG-BE (excluding Bavaria)	
	No	%	No	%
1945	32	0.7	11	0.2
1946	434	8.7	27	0.5
1947	1 448	29.1	92	1.8
First 6 mos 1948	2 410	48.2	1 332	24.4
July 1948	555	11.1	1 817	33.3
Aug 1948	110	2.2	1 742	31.8
Sep 1948	1	-	432	8.0
<u>Total</u>	<u>4 990</u>	<u>100.0</u>	<u>5 453</u>	<u>100.0</u>

5. The number of units by month or year in which the transactions booked from the September closing date to 10 October 1948 were actually effected, as compared with similar figures for the other three (3) Laender and OMG Berlin Sector (excluding Bavaria) are set forth in the following schedule. Percentages to total units have also been computed for more easy comparison. (This schedule is related to the one listed in par 2, above.):

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	Bavaria		Other Laender and OMB-BE (excluding Bavaria)	
	No	%	No	%
1945	102	1.5	5	0.1
1946	577	8.4	27	0.7
1947	2 054	29.9	23	0.6
First 6 mos 1948	2 250	32.8	480	12.5
July 1948	732	10.7	511	13.3
Aug 1948	1 069	15.6	1 185	30.5
Sep 1948	71	1.0	1 336	34.7
Oct 1948	10	-	306	7.6
<b>Total</b>	<b>6 865</b>	<b>100.0</b>	<b>3 873</b>	<b>100.0</b>

6. The number of transactions (i.e., MG/PC/2/7s, MG/PC 3s) by month or year in which effected, represented in the backlog described in par 3, above, is shown in the following schedule. (No comparison is made with the total of other Laender and OMB Berlin Sector for the reasons set forth in par 3.)

	No	%
1945	24	0.3
1946	215	2.9
1947	1 581	21.4
First 6 mos 1948	3 835	51.8
July 1948	735	9.9
Aug 1948	803	10.9
Sep 1948	210	2.8
Oct 1948	-	-
<b>Total</b>	<b>7 403*</b>	<b>100.0</b>

\*Consists of:

MG/PC/2/7s (taken into control)  
 MG/PC 3s (releases)  
 MG/PC 3s (adjustments)  
Total

	Conversion factor	Approximate number of units
2 734	1.68	4 600
1 265	1.84	2 300
3 404	-	3 400
<b>7 403</b>		<b>10 300</b>

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Report of Audit of LCAH's Accounting Office, Land Bavaria (cont'd)

II. DISCUSSION OF STATISTICAL FINDINGS:

7. The statistical data set forth in Section I, above, tend strongly to indicate that the accounting function has not been maintained by the LCAH Bavaria at anything like a level of efficiency which can reasonably be expected. While it is true that the properties handled in Bavaria almost equal in number of units and exceed in estimated value (i.e., in economic importance) those of the other two Laender in the U.S. Zone combined, namely Hesse and Wuarttemberg/Baden, the factor of increased complexity of operations inherent in a large and geographically wide spread organization should have been taken into account when the German Property Control system was set up. Insofar as the accounting function is concerned, it is evident that the organizational set-up has not, to this date, been adequate for reasonably accurate and reasonably up-to-date accounting reporting.

8. Specifically, note that the figures reported by Bavaria for 30 September 1948 actually reflect, for the most part, the situation as it existed on 12 April 1948 (i.e., 15 days after the median average date shown in par 1d, above). Furthermore, in spite of the backlog, an even flow of work should have been maintained by entering the earliest transactions first. That this was not done is readily apparent from the disparity of median average dates of properties taken into control, properties released, and adjustments (pars 1a, b, and c; 2a, b, and c; and 3a, b, and c). It is considered that the practice of giving priority to certain types of transactions (i.e., such as releases) for booking purposes is particularly to be censured, since this results in a statistical distortion far more confusing and misleading than a chronologically consistent backlog whatever its size or however long the time lag.

9. While it is not considered necessary to dwell upon the 7403 MG/PC/2/Ps and MG/PC 3s unprocessed in the Office of the LCAH (par 6, above), since these statistics sufficiently reflect the situation, the fact that this backlog represents a total of over 10 000 units is brought out here for purpose of comparison with the total properties reported by Bavaria as being under control on 30 September 1948. This indicates that the total under control of 31 588 units is understated by seven (7) percent. In what direction the booking of the backlogged adjustments would affect total properties cannot, of course, be ascertained until they are actually recorded. However, it seems reasonable to assume that their total effect will be substantial. It is desired to mention here also that, of the 7403 transactions backlogged, 5655 or 76.4 %, were actually effected before 1 July 1948. This is a significant fact which is dealt with more fully in par 11, below.

10. A concerted effort is presently being made by the LCAH, at the insistence of the LPCC, to clean up the backlog which exists in the Office of the LCAH. A total of 22 extra people (some borrowed from the LPCC and some from other offices of the LCAH) have been assigned to Mr. Steurer,

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Chief Accountant for the LCAH, for this purpose. Mr. Steurer estimates that the office backlog will have been disposed of by 10 November 1948.

11. It is, of course, absolutely necessary to clean up the LCAH office as a preliminary step in obtaining up-to-date reporting of Bavarian operations. However, that action alone will not attain the objective. Note that of the transactions booked in September (par 4), 87 percent occurred prior to 1 July 1948; of the transactions booked after the September closing date (par 5), 73 percent occurred prior to 1 July 1948; and, most significant, that of the unprocessed transactions (par 6), 76 percent also occurred prior to 1 July 1948. Note also the comparatively small number of July, August, September and October transactions in pars 4, 5, and 6. The conclusion from these data appears inescapable - the majority of MG/PC/2/Es and MG/PC 3s representing transactions effected after 1 July 1948 had not, at the time of the audit, reached the Office of the LCAH. This situation is far more serious than that of the backlog of 7400 MG/PC/2/Es and MG/PC 3s at the LCAH office. It means that reporting will not be current in Bavaria until after a concerted drive is made to place on a current basis the 77 Kreis offices and the five (5) Regierungsbezirk offices. The clean-up of these sub-offices will naturally result in the accumulation of another backlog at the LCAH office which will again require the same emergency measures that are being taken now.

III. PROBABLE CAUSES OF DELAY IN REPORTING:

12. Inquiries were made at the time of the audit as to the reasons for the present situation with respect to the accounting function. The time allotted for each audit did not permit, however, the making of any investigations with a view to determining the accuracy or validity of the reasons given by various officials.

13. Mr. Steurer, Chief Accountant for the LCAH, gave as his opinion the factor of lack of qualified personnel. He stated that, prior to currency reform, it was impossible to obtain sufficient clerical help for his office and other offices in the field because of the low purchasing power of Reichsmarks. Since the currency reform, it has become much easier to obtain personnel but reduced Land appropriations for the LCAH office do not permit the hiring of a sufficient number. However, comparison of the number of people employed in Mr. Steurer's office on the accounting function alone (exclusive of audits, files, typing pool, administration, etc.) with the total of similar personnel employed by both Hesse and Wuerttemberg/Baden (roughly comparable to Bavaria alone) does not appear to indicate insufficient personnel. In Bavaria, 27 persons are employed for accounting alone while Hesse and Wuerttemberg/Baden have a total of only 19 for this purpose. At the time of the audit, it was possible to make only a very general survey as to whether the services of the 27 persons are being utilized to the best advantage. (No thorough detailed survey was made since this would interfere with the work of cleaning up the backlog.) On the basis of this general survey, it is my opinion that the 27 people

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are adequate to handle a normal flow of work, and so far as could be determined from a superficial review, no unnecessary or time-wasting practices were in operation.

14. Mr. Ehrlich, Acting LPCC Bavaria, stated that, in his opinion, the present situation results from the attitude of the LCAH in considering the accounting and reporting function as subsidiary to all other Property Control operations. In other words, it is Mr. Ehrlich's opinion that the LCAH stressed performance rather than record keeping, reporting, and other paper work. This opinion does not, of course, from its nature, lend itself to either confirmation or disapproval. It may be mentioned, however, that if such were the attitude of the LCAH, it had a certain validity during the initial phase of Property Control before broad disposition programs were promulgated. That is to say, prior to 1 July 1947, it did not really matter very much whether a monthly report showed, for example, 34 000 properties under control or 29 000. A change of 5000 units during the present phase, however, would be of major significance not only to any one Land but also to the entire Property Control program. If Mr. Ehrlich's opinion is valid on this point, it appears evident that the LCAH should have anticipated the importance of current reporting during the present phase and should have changed his attitude toward paper-work long before he actually did.

15. Not mentioned by anyone in Bavaria is the possibility (perhaps even probability) that the Regierungsbezirke set-up peculiar to Bavaria may, although operationally efficient, be in effect a bottleneck insofar as the accounting function is concerned. Reference is made to par 11, above, concerning the comparative reports of recent transactions available to the LCAH at the time of the audit. It may be that the RCANs are holding up MG/PC/2/Fs and MG/PC 3s for longer than normal periods, not realizing that any delay in their transmission causes distortion and inaccuracy in the reporting for Bavaria as a whole.

IV. OTHER PROBLEMS:

16. a. The question was raised in Bavaria as to whether properties of NSDAP organizations not under Property Control custody could be disposed of pursuant to Control Council Directive No 50 without first taking the property under control as a preliminary step in the disposition process.

b. Since this question will probably have a vital bearing on the total of properties taken into control in future, I discussed the question at the first staff meeting held after my return from Munich. Attached as Inclosure No 1 is the letter that has been sent out, not only to Bavaria but also to all of the Laender, in order to settle any doubts concerning this point.

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17. a. Mr. Steurer, Chief Accountant for the LCAH, asked for an interpretation of FC Circular No 3 as effected by FC Circular No 5, namely, what the policy was for taking into control duress properties for which no petitions had been received. He produced a copy of Circular Letter No 125 issued by the LCAH on 12 October 1948 (Inclosure No 2) which, in Par 3b, instructs subordinate offices to take into control duress properties for which no petitions had been received in the manner prescribed in par 3 of FC Circular No 5.

b. Par 3b of Circular Letter No 125 is the result of a misinterpretation of our directive. In order to correct this misinterpretation it is proposed to instruct the LCAH Bavaria to amend par 3b of Circular Letter No 125 as outlined in the inclosed draft letter (Inclosure No 3).

18. a. In the case of certain adjustments the LCAH Bavaria has followed the practice of removing from the books the units and estimated value of the property as originally recorded and reporting this removal as a release. Concurrently, an entry was made to bring on the books the revised figures for the property and such entry was treated for reporting purposes as a new property taken into control. It is evident that such practice resulted in an inflation of Property Control statistics. Correctly, only the difference between the original value of units and the latest known value or units should be taken into account, and should, of course, be reflected in the "Adjustment" column of the Property Control Statistical Report (MG/PC/6/F) rather than in the "Taken Into Control" or "Releases" columns.

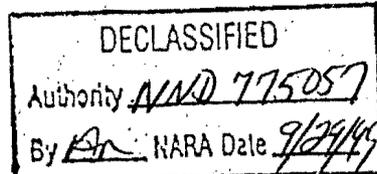
b. It is proposed to correct the situation by transmitting a letter, draft of which is inclosed, not only to Bavaria but also to the other three Land and Property Control Branch, OMB Berlin Sector (Inclosure No 4).

V. RECOMMENDATIONS:

19. As pointed out in par 11, above, the disposal of the backlog existing at the Office of the LCAH will very probably not achieve the objective of reporting Bavarian operations on a current basis. Furthermore, it is doubtful that the backlog of MG/PC/2/Fs and MG/PC 3s at Kreis and Regierungsbezirk offices will be cleared up as a result of a written instruction by the LCAH to such offices.

20. In order to get the Bavarian situation adjusted as soon as possible it is proposed to send Mr. Sanford of this section to Bavaria for a period of temporary duty of about two to four weeks, and longer if necessary, with the mission of visiting the most important CAH offices, such as Munich, Muerzburg, Augsburg, Wuerzburg, Bayreuth, etc., and the five Regierungsbezirk offices, and the LCAH office. His mission will be as follows:

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a. Ascertain whether MG/PC/2/Fs and MG/PC 3s are being handled and transmitted onward by these offices expeditiously enough to insure reasonably up-to-date reporting of Property Control operations. He is to have in his possession a letter signed by the CPUB, indorsed by both the LPCC and the LCAH Bavaria, enabling him to make on-the-spot corrections of any mishandling or delay in handling of any of these forms and to give whatever instructions are necessary in connection with the disposition of existing backlogs, if any.

b. While present at subordinate offices, he is to review the policy on what type of releases can be made by subordinate offices and to make recommendations to this office with a view to decentralizing authority in this connection, if it appears that too many types of releases required final approval at a high level.

c. He is to confer with the Property Controllers of the five Property Control districts in Bavaria with a view to discussing his findings in subordinate offices and recommending procedures to them to be utilized during their routine inspections which will assure expeditious handling of Property Control forms in the future.

d. After having audited the reporting manner of subordinate offices he is to review the detailed procedure employed by the Chief Accountant in the office of the LCAH, with a view to determining whether existing personnel are used to the best advantage. He should then be prepared to make recommendations to the CPUB incorporating any suggestions which he deems may dispense with unnecessary or time-wasting practices, if any.

e. After accomplishing the steps recommended in sub-paragraphs a through d, above, a recheck is to be made of the LCAH's Accounting Office for the month of either December or January, whichever is deemed most appropriate, in order to establish whether or not current reporting has been achieved.

21. That the draft of letter of transmittal inclosing a copy of this report be approved for dispatch if the foregoing recommendations are approved.

VI. REMARKS:

I wish to take this opportunity to express my appreciation for the courtesy and cooperation extended to me by the personnel of both the Office of the LPCC and the Office of the LCAH, particularly Messrs. Ehrlich and Dickerson of the former, and Messrs Dr. Bergmann and Steurer of the latter.

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Box 11

DECLASSIFIED  
Authority AND 775057  
By AR NARA Date 9/29/49

Report of Audit of ICAH's Accounting Office, Land Bavaria (cont'd)

Their helpfulness was instrumental in effecting completion of the audit in much less time than would otherwise have been necessary.

5 Incls  
(Inclosures forwarded as separate communications)

JOSEPH S. KORFANTY

Authority WHL/100  
By CR NARA Date 9/29/70

Entry DMGS Prop Div  
File Prop Control  
Box 4 390/41/10/3-4

Helene

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MINUTES

of

The Meeting of Land Property Control Chiefs and Heads of  
German Restitution Agencies with Officials of Property  
Control and External Assets Branch, Property Division,  
OMGUS, in the Landeshaus, Wiesbaden on the 2nd and 3rd  
of September 1948

CHAIRMAN: Mr. Fred E. Hartzsch,  
Chief, Property Control and External Assets Branch

Mr. Hartzsch called the meeting to order at 0930 on 2  
September 1948. The following were present:

PROPERTY DIVISION, OMGUS, BERLIN

Mr. Eldon J. Cassoday Deputy Director  
Mr. F. G. Hulse Executive Officer

PROPERTY CONTROL & EXTERNAL ASSETS BRANCH, PROPERTY DIVISION,  
OMGUS, WIESBADEN

Mr. Fred E. Hartzsch Chief  
Mr. William J. Dickman Deputy Chief  
Mr. William G. Daniels Chief, Claims Section  
Mr. Taylor J. Wilson Deputy Chief, Claims Section  
Mr. Joseph S. Korfanty Chief, Accounts & Audits Section  
Mr. H. K. Dreman Special Assistant  
Miss Frances Hood )  
Miss Marie Nelson )  
Miss Beatrice Strasburger ) Secretaries  
Miss Edith Schendel )  
Miss Ingeborg Schwarz )  
Mr. Hans-Georg Jackel Assistant, Claims Section

PROPERTY CONTROL BRANCH OF THE LAENDER

Mr. William H. Goehring Land Property Control Chief,  
OMG Bremen  
Mr. George E. Dickerson Deputy Land Property Control Chief,  
OMG Bavaria  
Mr. John A. Porter Deputy Land Property Control Chief,  
OMG Wuerttemberg-Baden  
Mr. John Cain Land Property Control Chief  
OMG Hesse  
Mr. John A. Guy Chief, Claims Section, Property  
Control Branch of OMG Hesse  
Mr. William R. Rule Chief, Property Division, OMG Hesse

LEGAL DIVISION, OMGUS, BERLIN

Mr. Edmund H. Schwenk                      Legal Division, OMGUS

JEWISH RESTITUTION SUCCESSOR ORGANIZATION

Mr. Benjamin Ferencz                      Director

Mr. Saul Kagan

Dr. Ruth A. Klein

Dr. Meinhart Nussbaum

Dr. George Weis

CENTRAL FILING AGENCY, BAD NAUHEIM

Mr. Bernard Fischbein                      Chief

Mr. Julius Brand                          German Legal Consultant

Mr. Oskar Dehn                              German Director

Miss Adele Stockhausen                      Secretary

LAENDER DELEGATES

Dr. Oesterle                                  President of Land Office for Control  
and Restitution Munich

Dr. Endres                                      Vice President of Land Office for  
Control and Restitution Munich

Dr. Wilhelm Beyer                              Director, Wiedergutmachungsbehoerde  
Oberbayern, Munich

Dr. Svoboda                                      Director, Wiedergutmachungsbehoerde  
Niederbayern/Oberpfalz, Regensburg

Dr. M. Vorlaender                              Director, Wiedergutmachungsbehoerde  
Unterfranken, Wuerzburg

Dr. Josef Hagl                                  Director, Wiedergutmachungsbehoerde  
Schwaben, Augsburg

PROPERTY CONTROL BRANCH - BREMEN

Mr. J. Lorenzen                                  Land Civilian Agency Head Bremen

Mr. Walter Mueller                                  Bremen

PROPERTY CONTROL BRANCH - HESSE

Dr. Rudolf Weisstein                              Regierungs-Direktor, Land Agency  
for Property Control & Internal  
Restitution in Hesse, Wiesbaden

Oberbuergermeister G. Kruecke                  Civilian Agency Head Wiesbaden

Authority MND/TOW/7  
By KN NARA Date 9/22/92

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PROPERTY CONTROL BRANCH - HESSE (CONT'D)

Dr. Stramitzer	LCAH, Director	Wiesbaden
Mr. Joseph Waider	Civilian Agency Head	Fulda
Mrs. M. Leimeister	Civilian Agency Head	Marburg
Dr. Kolbe	Civilian Agency Head	Kassel
Mr. Heinz Loewenthal	Civilian Agency Head	Eschwege
Mr. Friedrich Mahr	Civilian Agency Head	Offenbach
Mr. Hans Quast	Civilian Agency Head	Fritzlar
Mr. Martin Westermann	Civilian Agency Head	Giessen
Dr. W. Gottschalk	Civilian Agency Head	Darmstadt
Dr. Wilhelm Lindsiepe	Civilian Agency Head	Homburg/ Frankfurt
Mr. Franz Schloss		Frankfurt

PROPERTY CONTROL BRANCH - WUERTTEMBERG-BADEN

Dr. Kuester	Chief of Restitution Authority Wuerttemberg-Baden, Justiz- ministerium Stuttgart
Dr. Elben	Deputy Chief of Restitution Authori- ty Wuerttemberg-Baden, Justiz- ministerium Stuttgart
Dr. O. Koehler	Oberlandesgerichtsrat Stuttgart
Mr. K. Linse	Finance Ministry Wuerttemberg-Baden, Stuttgart
Mr. Josef Heiss	Amtsgerichtsdirektor Ulm
Dr. Selb	Amtsgerichtsrat Mannheim
Dr. von Janda-Eble	Ministry of Justice Karlsruhe

INTERPRETERS

Miss Ilse Riedesel	Munich (OMG Bavaria, LPCC)
Dr. Martin Westermann	Giessen

Foot Note: Complete names and titles are unfortunately unavailable

Mr. Hartzsch, after opening the meeting, explained that its purpose was to discuss the status of the restitution program to-date, and by exchange of opinions and experiences, effect as much uniformity as possible in the carrying out of Military Government Law No. 59 (Restitution of Identifiable Property), promulgated on 10 November 1947. Mr. Hartzsch introduced Eldon J. Cassoday, Deputy Director, Property Division, OMGUS, who made a few introductory remarks. Mr. Cassoday spoke of the sixteen months labor that went into the preparation of Law No. 59. However, he said, the quicker claims are presented and adjudicated, the sooner will the German economy attain stability.

Mr. Cassoday pointed out that Military Government does not want to administer Law No. 59, for that is the job of the Germans themselves. Military Government will, however, assist in every way possible.

Mr. Dickman, Deputy Chief of the Branch, was introduced by the Chairman. His detailed report on the operation of Law No. 59 from the date of its enactment to the present has been incorporated in these minutes (See Annex I). Mr. Dickman then reported briefly on the so-called "General Claims Law". The Special Property Committee of the Laenderrat has been discussing the scope and operation of a General Claims Law. The Law in its first draft form was passed by the Special Committee on 6 August 1948, and is now being discussed in the Laenderrat.

Mr. Fischbein, Chief, Central Filing Agency, reported on the organization and administration of the Central Filing Agency and Julius Brand, German Legal Consultant for the Agency and Mr. Oskar Dehn, German Director, gave a detailed report of the handling of petitions, reports and correspondence received by the Agency. A summary of the two latter reports in German and English are attached (See Annex 2 and Annex 3)

Mr. Cassoday:

Mr. Fischbein is not permitted to answer many of the inquiries which are received in the Central Filing Agency regarding interpretations of Law No. 59 because he has no authority to make interpretations. However, the Central Filing Agency is not the only place that receives such questions - we get them in Berlin, the Wiesbaden office gets them, and the Legal Division gets them. The policy of Military Government is that Military Government is not the proper agency to interpret Law No. 59, but that this must be done by the Restitution Agencies, the Restitution Chambers and, ultimately, the Board of Review.

The afternoon session opened with the Chairman conducting a general question and answer period. The principal questions asked and the discussion which ensued follow:

Question:

What does Law No. 59 provide regarding routing of petitions by and reporting to the Central Filing Agency?

Mr. Fischbein

gave a detailed explanation in which he quoted Art. 55, Par. 2; Art. 58, Par. 5; and Art. 59, Par. 1 of Military Government Law No. 59.

Mr. Hartzsch:

"We want to establish a system whereby the Restitution Agencies report fully to the Central Filing Agency as to whether a case was settled by the Restitution Agency; whether it was sent to a Restitution Chamber or what other disposition was made. We will shortly establish a procedure to accomplish this.

*Military Gov't Assist - Germany  
to respond  
"What is  
General Claims Law"*

*Do we want this?*

*YES*

*German Report*

*Note*

*procedure will be established after 9/48*

Entry OMGUS Prop Div  
File Prop Control  
Box 4 390/41/10/3-4

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OMGUS, BERLIN

Division, OMGUS

Mr. Lorenzen:

Question:

The term "identifiable" is not clearly defined in the Law. Is "identifiable" property only such property for which documents or other papers are available? For instance, one claimant writes that he entrusted personal property to a transport agency but that the property was not allowed to leave Germany. The claimant has no records, and the forwarding agency also has no records, as it was bombed out, and cannot say whether or not it had been entrusted with forwarding the property in question.

Mr. Hartzsch:

Answer:

3  
3  
The purpose of Military Government Law No. 59 is to re-establish the former position of the restitutee in so far as this is possible. To this end, the Law provides supplementary or alternative relief in cases where the confiscated property cannot be restituted in its former state because of changes in the legal or financial structure of an enterprise; because the confiscated property has undergone a fundamental change enhancing its value; or because of deterioration or destruction of the property.

In this connection, it should be noted that the phrase "identifiable property" is used only once in Article 1 of the Law, which is in the nature of a preamble. The substantive provisions (Part II - III) refer throughout to "confiscated property" as the property subject to a claim for restitution. Confiscated property is defined in Article 2 of the Law and refers to property to which a claimant was entitled, or to which he had a well-founded legal expectancy of acquisition as of the time of the confiscation. In view of the fact that the substantive provisions of the Law indicate that the property which can be claimed is the property existing at the time of confiscation, it must be concluded that the phrase "identifiable property" refers to property identifiable as of the time of confiscation, to which a claimant was then entitled, or to which he then had a well-founded legal expectancy of acquisition.

Mr. Dickman:

The definition of "identifiable property" has nothing to do with the question of evidence. A lift-van load of property was identifiable at the time of confiscation yet the claimant may have no papers or other evidence whatsoever and may fail to establish his claim because of lack of proof.

Mr. Weisstein:

According to the French Restitution Ordinance, "Property shall be identifiable at the time when the claim is brought forth".

Mr. Cassoday:

The concept of "identifiable property" in Law No. 59 is different from that in the French zone for this reason: Assume a picture was taken from me in 1938, a valuable Rembrandt, and the only one of its kind in the world. I returned to Germany and ascertained that it hangs in the home of Mr. Smith. I filed a claim with the Central Filing Agency which was forwarded to the Restitution Agency. Mr. Smith was called in and he stated that the picture disappeared about two weeks ago - somebody must have stolen it. When property cannot be returned because it has been lost, destroyed, etc., the person in whose possession it was must pay the value of it. Otherwise concealment could defeat a claim for restitution.

*Returned prop  
or value -  
Prevents  
Concealment*

I might add a statement about the effect of war damage on the failure, or inability, to return property. I cannot interpret the Law, but can only tell you what the framers of the Law intended. Suppose a person lost a house through confiscation and, while it was in the hands of the restitutor, it was destroyed by bombing. In such case, there is no reason to connect the destruction with the confiscation of the house. German Law says that if the destruction would have occurred regardless of the confiscation, the restitutor is not liable for the destruction. The person receiving the property would have a claim under any War Damage Law that might be promulgated in the future. The decision in each case whether or not any liability exists is up to the Restitution Court.

Mr. Schwenk:

I wish to call attention to Article 30 of Law No. 59, which covers this case. As Mr. Cassoday pointed out, the law refers back to German law, as you can see by paragraph 1. Consequently, you will have to apply the German Civil Code, Articles 275-280 and 323. Whether the restitutor was at fault or not is the whole question. This also applies in the case which was given by the first gentleman (Lorenzen).

Mr. Cassoday:

The sections of Military Government Law No. 59, to which Mr. Schwenk referred, were drawn with the idea of making a comparison of the subject matter thereof to stolen property as it is treated under German law. Because of the circumstances under which these things occurred, certain changes in the German law had to be made but the basic principle of stolen property as treated under the German Law has been followed throughout.

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Mr. Lorenzen:

Question:

What is to be done in a case where a building which was subject to restitution was destroyed by war damage but has been put into better order than it was before? Must the property be returned to the claimant?

Mr. Cassoday:

Answer:

The question is covered by Articles 30, 31 and 32.

Mr. Lorenzen:

Question:

These three Articles don't quite answer this question. The present owner has suffered war damage which would have occurred anyway, and he has put his own capital into the place. Has he a right to demand full compensation from the claimant?

Mr. Cassoday:

Answer:

That would depend upon whether or not the cost of improvements were taken out of the income of the property. If so, he would not be compensated, because the income of the property belongs to the person owning the property. Other provisions of Articles 30, 31 and 32 cover other aspects of this liability.

Mr. Benjamin:

Question:

Referring to the case where the claimant located the Rembrandt in the house: What right has he to enter the house?

Mr. Cassoday:

Answer:

The rights granted by Military Government rules covering "Search and Seizure" issued by Military Government several months ago.

Mr. Schwenk:

Also Article 35 of Law No. 59 pertaining to the liability to furnish particulars necessary to effectuate claims, contains special provisions covering this.

Mr. Weisstein:

Question:

The Ministry of Finance of Land Hesse has agreed to the restitution of real property which had formerly been confiscated by the Reich, but objects to the restitution of money, movable property, etc. Is the Finance Ministry of Hesse authorized to act in such a manner?

Mr. Cassoday:

Answer:

This becomes a question of what we would do under similar circumstances. Articles 19, 20 and 21 are applicable.

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With respect to the effect of Currency Reform on Law No. 59. We are now working on that problem and we do not know all the answers. When we do get them, we will send them to the various Laender for what they are worth and instruct the Land Property Control Chiefs to inform the German agencies accordingly.

Mr. Linco:

amicable agreement

I am the representative of the Finance Ministry of Wuerttemberg-Baden. When we see that a claim made against us is well-founded, we agree to enter into negotiations with the claimant to reach, if possible, an amicable settlement. We also agree, to return whatever profits we have made since we have had the property under our control. However, insofar as claims for profits are entered against the German Reich, we refuse to recognize such claims unless the money involved has been received by Land Wuerttemberg-Baden itself, and is still in existence. Such claims against the German Reich for profits of former years, remain in the hands of the claimant until a law will have been promulgated to take care of such claims.

Mr. Cassoday:

There is no claim on the Laender. Any claim against the Reich for money will have to await additional legislation. Reich property is all blocked and could not be turned over to anybody until some law is passed. If you do not have the money or property, you cannot turn it over to somebody else.

Mr. Dickman:

I believe that the situation as handled by Wuerttemberg-Baden meets with no objection.

Dr. Janda:

Question:

Regarding the time limit - we have heard that an extension of the limit of 31 December is not contemplated by OMGUS. In most cases it will be impossible to meet the time limit for registration in the Commercial Register of former trade names as required by Article 88. Would it not be advisable to extend the time limit to meet this type of case?

Mr. Dickman:

Answer:

Submit your special case to us and we will advise you on the basis of the individual facts.

Mr. Cassoday:

The application for the reinstatement of a trade name must be made within the time limit but it does not need to be carried out until some time later.

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Division

Dr. Endres:

Question: Can funds be taken out by the claimant of a confiscated property to pay for attorney's and other fees?

*can't advanced funds for attorney's fees or foreign exchange rate*

Mr. Hartzsch:

Answer: No! Neither party is entitled to withdrawals out of a property for such purpose. General License No. 10 contains the words "in the name of and is owned by", etc. It is our opinion that the title is in dispute, therefore Property Control and External Assets Branch, as a stakeholder, is in doubt as to who the true owner is. Until a decision is rendered, therefore, no withdrawals can be permitted. Our duty is to preserve the corpus until such time.

Dr. Endres:

Question: Under General License No. 10, it is perhaps possible to carry out what I have just asked?

Mr. Cassoday:

Answer: Persons outside Germany who do not have unblocked Deutsche Mark accounts have to pay foreign exchange to advance the costs for trying their claims. Such persons may end up with Deutsche Marks which they cannot exchange outside Germany. I would suggest that if that problem keeps coming up that you talk the problem over with the Land Central Bank and suggest some arrangements to borrow money. We cannot authorize the use of funds out of properties by a claimant until he proves his claim.

Dr. Endres:

Question: The same question arises with regard to the restitutor who, at the present time, is the owner of a property and who in the past has paid out his own money.

Mr. Cassoday:

Answer: Under Article 52 an order can be issued preventing withdrawals from a property until disposition of the claims.

Dr. Westermann:

Question: Under Article 52, can the Restitution Agencies issue such an order?

Mr. Cassoday:

Answer: They would have the power to issue such an order, but for uniformity throughout the U. S. Zone of Germany, it would be better for Property Control to do so.

Question:

Have many cases come up in the Laender where the restitutor has used funds from a property or properties for financing his defense?

Dr. Elbon:

Answer:

The Finance Ministry has examined the question, whether or not the parties to the restitution proceeding can take money out of a blocked account. Under General License No. 10 they have found that it may be possible. In cases where either the claimant or restitutor makes an application to use funds for such a purpose, this application is forwarded to the Restitution Agency, and

1. examination is made to ascertain whether the party has other funds, or
2. whether the party has reasonable prospects of success in the case. If both of these conditions can be confirmed, Wuerttemberg-Baden sends the application to Property Control. This is only regarded as a loan and at the end of the proceedings, the party will be required to return this sum of money.

Mr. Hartzsch:

Since title to a property is in dispute, it is not owned by either party, and, therefore, it is our feeling that a property cannot be subjected to such charges.

Question:

I have one question on the Wuerttemberg-Baden procedure. If a man has no money and he borrows from the account, how can he repay this sum when he loses his case?

Dr. Elbon:

Answer:

There is the possibility that he may have some other property.

Mr. Hartzsch:

We will get out implementation to cover this problem.

Mr. Cassoday:

I think the plan itself is reasonable, although in one or two respects it might be considered illegal under Military Government Law No. 52. We can consider it in working out some procedure so that people who have no money will not lose their property because they cannot defend the claim.

We would appreciate a copy of the Wuerttemberg-Baden Regulations so that we can go over them. Are there provisions in German law enabling a poor person to bring a court action without payment of charges?

Dr. Elbon:

Yes. A Poor Law.

Mr. Dickman:

This applies only to Courts, not to proceedings before Restitution Agencies. How about the Public Attorney for Restitution under the Wuerttemberg-Baden implementing regulations? Why can he not step in in such cases?

Dr. Elbon:

It is true that in Wuerttemberg-Baden our Regulations provide for a prosecuting attorney for restitution matters but his jurisdiction is restricted to the prosecution of claims without requirement of any fee. We believe that a claimant should not be restricted to representation by a public prosecutor but should be able to select any attorney he wishes.

Mr. Hartzsch:

Question:

When the loan is approved, is there a limit set on the amount?

Dr. Elbon:

Answer:

Yes. The amount to be given under this plan is to be restricted to a certain amount. The application mentions a definite sum and justifies this sum. The fees charged by the attorney are also checked to see if they are reasonable.

Dr. Endros:

Question:

In a case where a famous picture, a Rubens, had been taken over by Goering, who should represent the property? Goering is dead. Should his wife be served with notice?

Mr. Cassoday:

Answer:

Notice should be served on any person who has a claim to or may have an interest in that property.

Dr. Endros:

But Goering's property has been confiscated by the Bavarian State.

Mr. Cassoday:

If the property is under Property Control custodianship, the present custodian, and the person actually in possession of the property, would have to be served. If the Land owns the property, then the Land should be served.

Dr. Endros:

Question:

What is the relationship of Law No. 52 to Law No. 59? Is Law No. 52 subordinate to Law No. 59 since the latter was promulgated?

Mr. Cassoday:

Answer:

Neither Law No. 52 nor Law No. 59 provide that property must be taken under control. Our policy now is that property will be taken under control in every case where a claim has been filed, the only time it is not taken under control is where no damage can occur.

Mr. Westermann:

Question:

Article 51 of Law No. 59 provides that the Restitution Agency or Authorities can presume the death of a persecuted person. What legal effect does such a presumption of death have? If the presumption of death is to facilitate the adjudication of a restitution proceeding, it is applicable to other purposes also?

Mr. Cassoday:

Answer:

When we wrote this provision, we had many different ideas as to how it should be handled. We found we could not depend on the German law, which in many cases requires a long time to establish such presumption. Everyone agreed that it would be better to have a presumption of death statute which would cover all cases that resulted from the war. The British have one and they had so much trouble with it that we did not want to issue a similar one, but we were not able to agree on a satisfactory one. Rather than delay the issuance of a Restitution Law, we put in Article 51, for good or for bad. It was only intended to cover cases under the Restitution Law and has no application to any other proceedings.

Mr. Dickman:

Comment:

We have to distinguish between two questions:

1. Which authority is competent for issuing certificates of inheritance?
2. What is the meaning of Article 51 of the Restitution Law?

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My opinion is by no means definite. First of all, it is a legal question and legal interpretations should not be issued by Property Division. Secondly, insofar as legal opinions or interpretations on questions such as these are issued by the Legal Division, we do not declare them to be binding on the German Courts. It is known to us that the Legal Division has passed on the question of presumption of death under Article 51 and under the German Civil Code. I will try to find this and will have it for tomorrow's session.

Following the question and answer period, Mr. Hartzsch asked the Land Property Control Chiefs to introduce their representatives.

Afternoon Session

Calling the meeting to order Mr. Hartzsch asked Mr. Schwonk of the Legal Division, OMGUS, for a short report on "Venue".

Mr. Schwonk:

"The Implementing Regulations under Article 59 of Law No. 59, on "Venue", are of importance to the Central Filing Agency, as well as to the Restitution Agencies. Paragraph 1 of Article 59 providing for the transfer of such petitions to the district in which property subject to restitution is located sounds simple. However, there may be instances where claims of several persons are so related to each other that they should be handled by one Restitution Agency, although involving properties located in different districts. In order to simplify the procedure the implementing Regulations should, in such case, provide for venue in only one Restitution Agency.

The draft of the implementing Regulation on Venue, prepared by the Laenderrat, was submitted to OMGUS for approval. OMGUS approved the Regulation, subject, however, to certain changes. The Laenderrat redrafted this Regulation and assumed that the new draft should be resubmitted to OMGUS for approval. This is the reason why the Regulation has not been enacted and promulgated by the Minister Presidents. However, OMGUS has made it clear that no further approval is necessary, provided that the requested changes were made. The enactment and promulgation of the Regulation can now be expected in the near future.

Regarding the Implementing Regulation under Article 17, Paragraph 2, of Military Government Law No. 59, concerning valuation of properties which, because not now determinable, are at present not subject to property tax, Military Government directed the Laenderrat to draft such a Regulation by 15 January 1948. The Laenderrat thought that the requested Regulation could not be issued without considerable delay because no data for a valuation of assets concerned were available. The Laenderrat was, therefore, directed to issue an interim Regulation providing that, until general provisions on valuation were issued, the Restitution Chambers should themselves make the necessary valuation in each individual case, where pertinent to the decision, on the basis of all relevant data available. In view of the fact that the Laenderrat is no longer active, the

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Directors of the Offices of Military Government were requested to direct the respective Minister Presidents (in Bremen, the President of the Senate) to enact and promulgate by decree the Regulation implementing Article 17, Paragraph 2, Article 18 of which reads as follows:

"Pending the issuance of general implementing regulations under Article 17, Paragraph 2 concerning the valuation of property which, because not now determinable, is at present not subject to property tax, the Restitution Authorities shall, of their own accord, effect the valuation necessary to decide the matter by giving due consideration to all circumstances pertaining to the individual case. A suspension of the procedure merely because the general implementing regulations provided for in Article 17, Paragraph 2, have not yet been issued, shall be inadmissible."

Mr. Cassoday:

The only reason why OIGUS approved this was so that there would be no delay of any case because of the absence of a uniform Regulation.

The meeting was adjourned at 1730 to be resumed the following morning at 0930.

Morning Session

3 September 1948, 0930 Hours

Mr. Hartzsch opened the meeting and asked Mr. Porter to report on the administration of the Restitution Law in Württemberg-Baden.

Mr. Porter:

In Württemberg-Baden, German Property Control Offices have nothing to do with restitution. The Restitution Authorities in Württemberg-Baden are under the Ministry of Justice, while Property Control is under the Ministry of Finance. This sometimes brings about conflicts, but cooperation between the two agencies concerned has been satisfactory. We had a lot of administrative difficulties in Württemberg-Baden, particularly with respect to procurement of personnel, office supplies, furniture, etc. Practically everything we are waiting for the termination of the denazification program in order to take over the equipment and supplies of this organization. We had a difficult and controversial problem in the matter of the procedure for the handling of petitions in amicable settlement cases. This was mainly caused by lack of sufficient instructions, which were not given for some time because the matter had to be cleared by a legal division opinion. A number of amicable settlements were made without prior opinion of the petitions with the Central Filing Agency. This operation was later corrected at our request and the procedure is now running smoothly. We have had some complaints that these cases are not completed quickly enough but we do not consider these complaints well founded in all cases because, as Mr. Cassoday remarked, a certain amount of time is necessary for the processing of claims by the Central Filing Agency and it takes additional time to channel petitions from the Central Filing Agency through the Land Offices to the Restitution Agency. Further remarks on the situation in Württemberg-Baden will be made by Dr. Weeber of the Ministry of Justice.

Dr. Kuester:

Wuerttemberg-Baden was very anxious not to repeat the mistakes of the Denazification Law. Accordingly, it began to make the Restitution Law operative immediately after its promulgation. After very satisfactory results in obtaining amicable settlements had been achieved, we learned that the procedure which we applied in Wuerttemberg-Baden was not in accordance with the wishes of Military Government. These difficulties have now been cleared up and I am very glad to agree with Mr. Porter that complete accord has been reached with respect to the handling of petitions in connection with amicable settlement cases.

Mr. John Guy, Chief of the Claims Section of Property Control Branch, OMG Hesse, reported on the administration of the Law in Hesse:

We have 10 Restitution Agencies which are subject to the supervision of the Land Office for Property Control and Restitution. Dr. Stramitzer is in charge of Property Control and Dr. Weisstein in charge of Restitution. Oberbuergermeister Kruecke of Wiesbaden has the honor of being in charge of the Restitution Agency in Wiesbaden which succeeded in settling amicably the first restitution case in Land Hesse.

From our experience 50 - 60% of the petitions filed are not in proper form. The information is often incomplete with respect to the time of the transaction, the purchase price and the question of whether or not the seller had the right of disposal of the purchase price. We have found that the Restitution Agencies are doing everything in their power to accomodate petitioners. Some of them have even gone so far in their assistance that they could almost be accused of acting as the agents for the petitioner. Many problems remain unanswered, for instance, what documents are required as a basis for an appeal; to what extent should the formal provisions of the German Law be applied in cases of amicable settlement, so that on the basis of such settlements transfer of title can be effected in the German land title registries; how should Property Control be advised of the disposition of the restitution case in order to release the property involved; to what extent are sub-lessees affected by such settlements; shall such sub-lessees be considered persons who have to be joined in the procedure? I believe that Dr. Weisstein will be in a position to elaborate on some of those problems and I would like to ask Dr. Weisstein to say a few words to us.

Dr. Weisstein:

The status of the restitution procedure in Hesse is as follows: During the months of April, May, June and July 1948, 432 petitions were received in the Restitution Agencies. Of these 432 cases action on 36, or 9 %, has been completed. We have, as yet, no figures for August, but it looks as if during the month of August as many cases will have been disposed of as in all previous months taken together. We expect to receive an estimated 15,000 to 20,000 restitution cases in Hesse. We had a very difficult problem, namely in the staffing of the Restitution Agencies. Only the heads of the offices in Frankfurt and Wiesbaden are lawyers, all the others are business men. I am glad to report that all these business men have demonstrated successful handling of their jobs. Nevertheless I would prefer lawyers for the key positions.

It is the main task of the Restitution Agencies to settle cases amicably. Unfortunately, the number of cases that were settled amicably is small. Among the 36 cases mentioned only three were disposed of by amicable settlement.

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It is my strong desire that Military Government will not approve any requests for changing any of the provisions of Military Government Law No. 59. The experience had with the Denazification Law should deter any such action. If some stones are removed from the structure of the law the whole structure will fall to pieces.

Mr. Cassoday:

Earlier in the meeting, the question was raised as to why so much detail is required in the petition. I do not believe that the Appendix to Implementing Regulation No. 1, is too lengthy. We worded it so that only the minimum essential information is requested, necessary to enable the Restitution Agencies and the Courts to render decisions. Petitioners should remember that they are not asking the authorities to grant them favors. Therefore, a legal statement of a cause of action should be required.

It should be stressed over and over again that attempts should be made by the Restitution Agencies to effect amicable settlement in the interest of achieving speedy restitution. Then both parties are satisfied: if it goes to the court the losing party is always dissatisfied.

With respect to the question of personnel it is of the utmost importance that the public be satisfied with the people in charge of handling restitution matters. They should not be pro-persecutee and on the other hand they should not have records of ardent Nazism or anti-Semitism. In order to accomplish their jobs they must be considered by both claimants and restitutors as fair minded diligent people.

*Real basis of amicable settlement or unadvised strong arm tactics*

I agree with Dr. Weisstein in his attitude that the law should not be changed. The Restitution Law was enacted after 16 months of hard work, and the opinions of both German and Military Government officials as well as of the other occupation powers were taken into consideration. Of course, the Law does not and will not satisfy everybody; that would be impossible. But it is a workable law and there is no reason why it should be changed except for very compelling reasons. Persons who speculate that changes will be made are ill-advised.

Mr. Dickerson reported on the administration of the Law in Bavaria:

In Bavaria restitution is carried out by the Land Office for Property Control and Restitution under the administrative supervision of the Minister of Finance. Dr. Oesterle is President of the Land Office, assisted by Dr. Endres who is Vice-President of the office and who is in charge of restitution. Bavaria has five Regierungsbezirke with five Land Offices for Property Control and Restitution and five Restitution Agencies. At each Restitution Agency there is a Committee for Amicable Settlement. There exists also in Bavaria a so-called Restitution Council about which Dr. Endres will say a few words.

We are of the opinion that the carrying out of the program of restitution requires a certain amount of control and supervision. In that respect we have developed the following plan: After a petition has been received by the Restitution Agency, the Restitution Agency sends a report to my office containing the most important data extracted from the petition. These data are kept on record. A further communication goes to the field officer of Property Control in the Land. A member of the staff of the field control officer keeps track of the petition until its final disposition. He reports on the disposition to his superior officer and this superior officer reports to me on each case. At any time the records kept in my office enable us to check up on the status of each individual case. Within two weeks I will report to DMGUS how many cases we have received; how many have gone to the

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Restitution Chambers and how the flow of cases through the Restitution Authorities develops. In one or two cases we have found that members of amicable settlement committees were either themselves people who have profited through persecutory measures, having acquired Jewish property, or people who had belonged to the Nazi Party or to some of its affiliated organizations. As soon as Dr. Endros learned about those cases he remedied this situation immediately.

*Exception?*

Dr. Endros, Vice-President of the Land Office in Bavaria, reported on the Restitution Council:

This Council is limited in its activities to the development of general directives (Richtlinien) for restitution procedures. It consists of one representative each, from the Ministry of Justice (Ministerialrat Roemer who was most instrumental in writing the Law), the Ministry of Finance (Ministerialdirektor Ringelmann who drew up the draft of the General Claims Law), and the State Commissioner for Political, Religious and Racial Persecutees (Dr. Auerbach).

The delay in the processing of restitution claims is mostly caused by the inadequacy of the petitions. Our experience with respect to amicable settlement is better than the experience in Hesse, as reported by Dr. Weisstein.

We are of the opinion that Article 49, Par. 1, which calls for speedy and complete restitution ought to be implemented. It provides that the Restitution Authorities may deviate in individual cases from procedural rules, as provided by law, if to do so will serve to accelerate restitution. Precautions must be taken, however, to prevent such deviations from impairing complete investigation of the facts or the legal right to a fair hearing. It seems to be necessary to implement this provision so as to give the Restitution Authorities broader power to bring about a speedy restitution free from bureaucratic procedures.

*More speedy results?*

Mr. Cassoday:

It does not appear to us that any implementation of this provision is necessary since you may deviate from established procedures as far as you want as long as the parties agree to the deviation. However, you must be sure that all parties in interest are parties to the agreement. Short of such great departures, you may deviate in the restitution authority within the scope of Article 49, but fitting the rule to the particular solution. We have been asked what type of reports will be requested by DMGUS. We will develop a scheme for the reporting of such data and we will certainly not ask for more figures and data than are necessary in order to be kept informed about how the restitution program proceeds and how the flow of cases develops. We must, however, be informed about all the phases of operation in order to detect flaws and weak points in the procedure.

Mr. Lorenzen reported on the situation in Bremen:

We have already received several petitions from the Central Filing Agency. In a few instances amicable settlements were made; other such settlements are pending. The office for Property Control is functioning as the Restitution Agency. We have not yet established a Restitution Chamber. The president and one member of the Chamber have been appointed but we have had trouble in finding a qualified second member. However, this difficulty will be solved soon and we expect that by 15 September the Restitution Chamber will be ready to function.

Mr. Hartzsch asked Mr. Cassoday to speak about the functions of the Jewish Restitution Successor Organization (JRSO).

Mr. Cassoday:

Owing to the Nazi program of persecution there are numerous instances where people were not only killed in the concentration camps but where whole families were wiped out. If you would have asked those people before their death, to whom they wished to leave their property, they most certainly would not have wanted the property to go to the German State to which it would normally go under the pertinent provisions of the German Civil Code. It is, therefore, imperative that the property of people who, under persecution, died heirless be transferred to a successor organization rather than to the State. I believe that the Jewish Restitution Successor Organization is the best representative of the interests of the Jews who died heirless. In the Laenderrat it was argued that a successor organization would probably be permitted the transfer of property to places outside Germany. However, Regulation No. 3, concerning the establishment of successor organizations provides that restituted property must be turned over to one or more German legal entities having the status of charitable organizations. The JRSO shall, within 30 days after acquisition of real property pursuant to Law No. 59, transfer title thereof to such entity or entities. Export of property other than real property requires an export license issued by Military Government. Generally, it can be stated that the restituted property will remain in Germany as part of the German economy and may not be exported. The Jewish Restitution Successor Organization may claim all property of Jews that comes within the provisions of Regulation No. 3. All claims for such property have to be filed with the Central Filing Agency not later than 31 December 1948. Between now and this deadline an enormous task will have to be done by JRSO. It is therefore absolutely necessary that all possible support be given to the JRSO. We have specified, in Authorization No. 1, the rights of the JRSO with respect to the inspection of files and records and I hope that the accomplishment of this program will have the whole-hearted support of all who are working in the restitution program.

Mr. Cassoday then read the individual provisions of JRSO Authorization No. 1, of 18 August 1948, and explained them in detail.

Mr. Ferencz, the Director of JRSO, was introduced by the Chairman. He explained the work of the Jewish Restitution Successor Organization. Until recently, Mr. Ferencz was with the Office of the Chief of Counsel for War Crimes in Nuernberg and is well acquainted with the organization of Military Government.

Mr. Ferencz:

As you all know, I have occupied myself with the Restitution Program only during the last two weeks. The carrying out of the program of restitution is not only part of the policy of Military Government in the United States Zone of Occupation, but this policy is backed by the American People as a whole. The JRSO is an organization established under the laws of the State of New York. It represents the greatest Jewish Organizations of the world. In order to carry out the program of the JRSO we had to establish an organization of our own in the United States Zone of Occupation with the permission of Military Government. Our main office is in Nuernberg. We have a planning committee consisting of Dr. Nussbaum, Mr. Kagan, and Dr. Weiss who will supervise the activities in the field. We have established branch offices in Munich and Frankfurt and we have the intention to establish other branch offices in Stuttgart, Mannheim and Kassel. We are facing tremendous difficulties in securing, in time, the information necessary for the

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filing of petitions with the Central Filing Agency. We have all the difficulties which any organization encounters which established itself these days in Germany, but there is an additional difficulty which is not quite so obvious. I mean the suspicion that we have come to Germany to take property to which we have neither moral nor legal claim. I am confident that this suspicion will disappear after we have started to work. We are handicapped not only by the short time allotted to us but also by a limited budget. We are a charitable organization and must operate with a minimum of expenses. For the purposes of achieving our mission we need your assistance. Otherwise we will never be successful. The only assistance we ask of you is to give us the information which we absolutely need in order to file petitions before 31 December 1948. We must know the names of the Jews in Germany who were subject to persecution; we must know what property they possessed, where it is and in what condition it is. Fortunately, Military Government has already collected a great amount of this vital data. JRSO has suggested that it be permitted to proceed with the filing of petitions under a simplified form. We need understanding, assistance and help in your work and above all the cooperation of all American and German officials. Thank you for this cooperation.

Mr. Casper:

I want to add that among the key people of the JRSO there are a few whom we have known very well for a long time, namely Mr. Kegan, formerly of the Office of Finance Adviser; Dr. Klein, formerly with Property Control and Expropriation Assets Branch, Property Division; and Dr. Nussbaum. I am sure that you will cooperate with them and with the other people of JRSO.

Mr. Hartzsch:

I want to thank all of you for the work you have contributed to this meeting, for the interest you have shown in all problems presented and for the patience with which you have sat through the meetings. I want to thank particularly the interpreters and the secretaries for their most excellent work. The meeting will now be adjourned.

The afternoon session was spent in a conducted tour of the Central Filing Agency at Bad Nauheim.

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Authority VND 775057  
By AVT NARA Date 7/24/99

Box 9  
"Amicable  
Settlements"  
File 18 PC 65

Counselors-at-Law Dres. Ostertag (Notary) and Ulmer  
(14a) Stuttgart 3, Charlottenstr. 15A

Telefon: 9 12 77

TO: Mr. William J. Dickman  
Property Division CMGUS  
W i e s b a d e n  
Taunusstrasse 9  
AFG 632

Your Ref.:  
/B

Date:  
24 June 1948

Dear Mr. Dickman:

Regarding restitution cases, difficulties are arising here now after the authorities have done excellent work and achieved fine results.

As I already told you at a session of the Legal Committee, we handle the cases as follows:

Every claim is properly filed at Nauheim. In urgent cases, a duplicate of the claim to be filed at Nauheim (in every case, the filing at Nauheim was done previously) is transmitted to the arbitrator. In addition, the latter is forwarded the whole matter in the form of a statement of the claim, where the petitions and reasons have been formulated more extensively than in the claim filed at Nauheim. The arbitrator serves the pleadings and sets the period of limitation in compliance with Restitution Law. In some instances, as in an urgent case, he somewhat reduces the two-month period of limitation otherwise granted for submitting the statement. On the other hand, he extends such period of time if the opposite party requests and motivates such extension. In this way, amicable settlements were achieved, even in matters of importance. Two cases were transmitted to the Restitution Chamber after the attempts had failed to bring an amicable settlement. Under Article 67, 2 d, the Restitution Chamber already issued orders to return plants to the claimants.

As I am given to understand from the Main Property Control Agency, Mr. Fischbein has now raised objections. He stated to Dr. Porter, Land Property Control that cases should not be processed unless Nauheim has forwarded the papers. In this connection, I received the attached letter by the Main Property Control Agency.

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Nauheim, however, does not function at all. Yesterday, for example, I received notifications setting forth that by now, that is on 23 June 1948, they are transmitting to the arbitrator my petition I had filed at Nauheim on 15 January 1948. Most of the other cases are taken care of in exact the same manner. One of the cases having been received by the arbitrator on 23 June, was settled amicably long ago. Very often, both parties want an amicable settlement. If we were to act on the suggestions of Mr. Fischbein and Dr. Porter, a delay would result which would be contrary to the interests of either party.

The principle of the Restitution Law is set forth in Article 1. Everything shall be done to expedite restitution. The attitude of both gentlemen, however, would result in a delay which will be by no means tolerable.

Law 52 is likewise a protective law in behalf of the entitled person. The way, however, in which it is to be carried out renders the law a law persecuting the entitled person. That can never have been the intent of Military Government.

You all will be agreed with me that a speedy restitution is aimed at, but nonsensical formalism is inimical to restitution. As you have always advocated an objective and reasonable solution, I request that you reject the endeavors undertaken by Mr. Fischbein and Dr. Porter. I cannot imagine that the American public is in favor of the procedure both gentlemen have resorted to. Anyway, Nauheim and Stuttgart Property Control are no authorities which have been set up to suit themselves, but to ensure restitution.

As you will have gathered from the letter, the other question has arisen now what function will be assigned to Property Control when, by an order of a law-court, any plant is temporarily to be returned to an individual entitled to restitution. As Dr. Euester and I feel it, Property Control will no longer be of any use. The term "Treuhaender" (trustee) does not mean "custodian", but a "trustee" in the meaning of old German legislation. Towards a third party, the entitled person functions as a trustee, otherwise he is the owner. The ruling of the law-court has the same effect as though, in contentions jurisdiction, the return of a property has been obtained through an interlocutory enforceable judgment. If a subsequent instance would nullify the ruling - an action which in such cases is impossible -, the entitled person would be liable to the same extent as he would be responsible according to the Code of Civil Law after he has enforced execution by virtue of an interlocutory enforceable judgment,

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By AVT NARA Date 7/14/99

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that is he responds by his entire property.

I should appreciate it if you would take care of the matter energetically at your earliest convenience because red-tapism is interfering here with efficiency of operation.

In dealing with Property Control instrumentalities, one feels the strong influence of the individuals who promoted Aryanizing actions. May be, such influence also affects the Stafflenbergstrasse officials, though they would never admit such effect.

If the law shall be enforced, such end can be secured only in the way in which we have been proceeding in Wurttemberg. I think our way of operating has been exemplary so far.

This letter is an SCS in the interest of the entire Restitution Law.

With kind regards,

I remain faithfully

yours,

DR. OSTERTAG

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 Box 510

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 By VR NARA Date 820

JRSO

PC 66

MILITARY GOVERNMENT - GERMANY

UNITED STATES AREA OF CONTROL

Regulation No 3 Under Military Government Law No 59 and Appointment  
 Thereunder.

Designation of Successor Organizations Pursuant to Military Government  
 Law No 59 and Appointment of a Successor Organization to Claim Jewish  
 Property

Regulation

Pursuant to article 13 of Military Government Law No 59, the following Regulation  
 on the Designation of Successor Organizations is hereby issued:

1. A non-profit or charitable organization desiring to be appointed as a  
 successor organization under Military Government Law No 59, may apply in writing  
 to the Office of Military Government for Germany (US) for such appointment.  
 Such application shall set forth in detail all information concerning the  
 structure, purpose and functions of the applicant organization and should be  
 accompanied by all relevant documents, such as articles of incorporation and by-  
 laws. Additional information may be required.
2. Such organization must be representative of the entire group or class  
 which it is to be authorized to represent.
3. Upon appointment, a successor organization must use its assets for the  
 general benefit of the members of the group or class which it represents or for  
 such other non-profit or charitable purposes as may be approved by Military  
 Government.
4. The rights and obligations of such organizations shall be set forth in  
 the appointment.

Appointment Under Foregoing Regulation

I. Designation of Successor Organization for Jewish Property

The Jewish Restitution Successor Organization, a charitable organization,  
 incorporated under the laws of the State of New York, United States of America  
 (hereinafter referred to as JRSO) having applied for appointment as a successor  
 organization and having qualified pursuant to the above regulation issued under  
 article 13 of Military Government Law No 59, is hereby appointed as the succes-  
 sor organization authorized to claim Jewish property, as hereinafter defined,  
 pursuant to the terms of articles 8, 9, 10 and 11 of Military Government Law No  
 59.

II. Definition of Jewish Property

1. Jewish property is defined as the property, rights and interests of  
 Jewish individuals and of Jewish organizations.

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2. A person shall be considered to be a Jewish individual if between 30 January 1933 and 8 May 1945 he was:

- a. Subjected to persecutory measures on the grounds that he was a Jew, or
- b. Of the Jewish race or religion, or
- c. A member of a class of persons which was to be eliminated from the cultural and economic life of Germany by measures taken by the state or the NSDAP on the grounds of the Jewish race or religion of the members of that class;

provided however that if there is evidence tending to indicate that the person involved changed his affiliation from the Jewish religion to another religion prior to the date of his death, or that he was not actually of the Jewish race or religion, the restitution authority may make a finding that such individual was not a Jewish individual after conducting such investigation as it deems appropriate to enable it to determine the facts.

3. An organization shall be considered a Jewish organization:

- a. If its members professed to worship pursuant to the Jewish faith and had organized for that purpose or if it was under the administration of the Jewish community; or
- b. If it was maintained out of Jewish community funds; or
- c. If Jewish race or religion was a requirement of membership; or
- d. If the organization was dissolved or forced to dissolve because the overwhelming majority of the members were Jewish individuals.

4. Any dispute as to the right of the successor organization to claim property under the law shall be determined by the Restitution Chamber whose decision shall be subject to appeal and review in the same manner as in other cases.

### III. Status, Powers, and Obligations of the JRSO

1. JRSO shall carry out its activities in the US Zone of Germany in accordance with the conditions and limitations imposed by Military Government and by its certificate of incorporation and by-laws. JRSO shall be operated as a non-profit organization; it shall have the same tax exemptions as a gemeinnuetzige Organisation has under German Law. The operations of JRSO and its representatives shall, except as specifically exempted in writing by OMGUS, be subject to all Control Council and Military Government legislation, military regulations and applicable German laws.

2. JRSO shall, with the approval of OMGUS and before 31 December 1948, establish in the US Zone, under German law one or more legal entities having the status of charitable organizations. JRSO shall, within thirty (30) days after acquisition of real property pursuant to Military Government Law No 59, transfer title thereof to such entity or entities. For the purposes of this paragraph, personal property essential to the operation of real property shall

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be deemed to be part of the real property. JRSO shall, within sixty (60) days after acquiring any other property, pursuant to Military Government Law No 59, either apply to OMGUS for a license to export or remit to a foreign country, or transfer such property to the entity or entities established pursuant to this paragraph. Upon denial of an application for such a license, the property involved shall, within thirty (30) days after receipt of notice of such denial, be transferred to the entity or entities established pursuant to this paragraph. Such entity or entities shall hold, administer, or sell the property transferred to it by JRSO for the purpose and subject to limitations set forth in the authorization issued by OMGUS for the establishment of such entity or entities. Title to any property held by such entity or entities may be re-transferred to the JRSO, if specifically authorized in writing by OMGUS. The provisions of article 91 of Military Government Law No 59 are applicable to transfers made pursuant hereto.

3. JRSO and its authorized representatives shall have all rights possessed by German entities and individuals, with respect to the inspection of property and records; in addition, OMGUS upon request of JRSO will authorize, in writing, JRSO and its authorized representatives to inspect such property and records and extract information from such other documents and records held by Military Government or German Governmental authorities or German persons, individuals or corporations, as OMGUS determines to be relevant to the proper performance of the functions of JRSO.

4. The JRSO and the German entities established pursuant to paragraph 2 of this article, shall make monthly reports to OMGUS on their operations, and such special reports as are at any time required by OMGUS. The form of such report and the nature of the information to be submitted therein shall be determined by OMGUS.

5. OMGUS reserves the right to, at any time, impose other limitations and restrictions on the JRSO and its representatives or revoke the authority granted hereunder for cause.

6. The furnishing of logistic support to the JRSO and its personnel by the occupation authority will be the subject of a separate agreement between EUCOM and the JRSO.

#### IV. Effective Date

This Regulation and appointment shall become effective in Bavaria, Hesse, Wuerttemberg-Baden and Bremen on 23 June 1948.

BY ORDER OF MILITARY GOVERNMENT

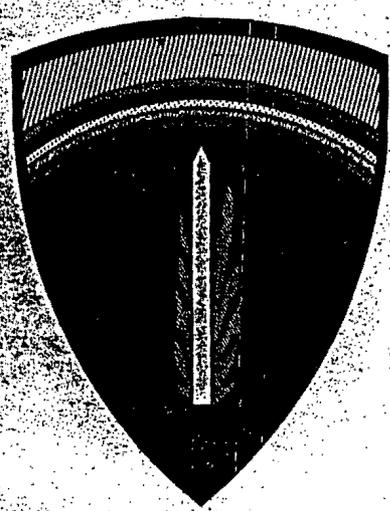
*Summary of Military Government  
Occupation 1945 - U.S. zone*

Military Government

pc 68

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

PROPERTY CONTROL  
HISTORY, POLICIES, PRACTICES AND PROCEDURES  
OF THE  
UNITED STATES AREA OF CONTROL, GERMANY



SPECIAL REPORT OF THE  
MILITARY GOVERNOR

NOVEMBER 1948

106820

## PROPERTY CONTROL

### SUMMARY

The two fundamental problems of the Property Control Program have been: first, the methods of locating, placing under custody, safeguarding and administering various specified categories of property under control; and, second, making decisions providing for ultimate disposition of properties and expediting the release thereof. In accordance with Military Government policies, directives, laws and other measures, every effort is being made to release as many properties from control as possible.

In line with Military Government policy of transferring greater responsibility to German governmental authorities, Property Control responsibility for custody and administration, as provided for in Military Government Regulation Title 17, was transferred to German Land governments during the latter half of 1946. Special safeguards were provided for properties of United Nations and neutral owners and those properties in the "duress" categories. The German agencies were under the direct supervision of Military Government authorities.

In June 1947 the emphasis changed from the first phase (that of locating and adequately protecting properties) to implementing and carrying out the second phase (release of properties from control). In June 1947 a program was announced providing for the decontrol of properties belonging to citizens of United Nations and neutral nations (except Spain and Portugal). This program was later extended to former enemy nations with whom peace treaties have been signed.

Control Council Directive No. 50 and Military Government Law No. 58 have established the procedures whereby property of Nazi organizations are being transferred to Land governments or to certain democratic organizations. The properties of individual Nazis are being released from control in accordance with existing denazification procedures. Properties of the Reich are being held pending necessary policy decisions as to disposition. "Duress" properties will be held pending final adjudication of the case as provided for in Military Government Law No. 59. Properties taken under control as "duress" properties for which no claim has been filed will be released from control pursuant to Military Government directives to be issued in the future. It is expected that practically all properties with the exception of "duress" and "Reich" properties will be released from control during the first six months of 1949. } DRSO

On 1 July 1949, it is planned to liquidate completely Military Government Property Control Offices. Residual Property Control duties will in large part be transferred to a Central German Property Control Coordinating Committee composed of the four Land Civilian Agency Heads. Those Property Control functions which cannot be transferred to the Central German Property Control Coordinating Committee will be made the responsibility of one of the Military Governor's Advisers.

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## PROPERTY CONTROL

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slow procedure, as the remaining litigation will be before the courts for a long time. However, on final adjudication, speedy release will be made by Property Control authorities in accordance with the court's decree.

### TREATMENT OF DURESS PROPERTIES AND BRIEF REVIEW OF INTERNAL RESTITUTION PROGRAM UNDER MILITARY GOVERNMENT LAW NO. 59

#### Introduction

Among the most important categories of properties over which property control has been exercised from the very beginning are so-called "duress" properties. Even prior to the surrender of Germany, it was the announced policy of the United States Government to take appropriate steps for the safeguarding of properties which had been expropriated by National Socialist persecution from their former owners.

This policy was clearly restated in the Directive on U. S. Objectives and Basic Policies in Germany, of 15 July 1947, <sup>1/</sup> which reads as follows:

"It is the policy of your (i.e. American) government that persons and organizations deprived of their property as a result of National Socialist persecution should either have their property returned or be compensated therefore and that persons who suffered personal damage or injury through National Socialist persecution should receive indemnification in German currency. With respect to heirless and unclaimed property subject to internal restitution you will designate appropriate successor organizations."

#### Administration of Property Control Over Duress Properties

In execution of the above-mentioned policy, Military Government from the beginning has directed control of all properties expropriated or confiscated under circumstances indicating duress. Such control was imposed on the basis of lists of properties compiled in some cases even prior to the surrender of Germany, or as disclosed by field investigations, or made known to Property Control Agencies in the U. S. Zone through communications from former owners, or their successors in interest. Reports required by Military Government from present owners, German governmental agencies, and financial and credit institutions, with respect to properties presumptively expropriated or confiscated under discriminatory measures of National Socialism (persecutory actions for racial or political reasons) were screened, and also resulted in exercise of property control action.

Property Control action was taken on the basis of Section 2, Article I of Military Government Law No. 52 <sup>2/</sup> (Revised Text, 20 July 1945) which provided as follows:

"Property which has been the subject of transfer under duress, wrongful acts of confiscation, dispossession or spoliation, whether pursuant to legislation or by procedures purporting to follow forms of law or otherwise, is hereby declared to be equally subject to seizure of possession or title, direction, management, supervision or otherwise being taken into control by Military Government."

<sup>1/</sup> Military Government Regulation (MGR) 23-2050.

<sup>2/</sup> See Annex VIII.

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NOVEMBER 1948

## PROPERTY CONTROL

Blocking control was applied to savings bank deposits, accounts, funds, securities and other negotiable interests on the same basis.

Custodians appointed by Military Government, or German Property Control Agencies under the direct supervision of Military Government, were charged with the administration of properties under prescribed conditions and requirements for accounting and auditing reports intended to assure adequate safeguarding controls. The control and influence of present owners over the administration of the properties or enterprises were wholly excluded as a matter of principle and policy. All custodians of controlled properties were only appointed on the basis of exemption or clearance under various denazification regulations which became generally applicable.

The 15 August 1945 Directive, 1/ for example, extended the denazification provisions of the 7 July 1945 Directive (Administration of Military Government in the U. S. Zone of Germany) 2/ to influential Nazis and militarists in all walks of life and authorized control action over the properties of all persons removed or designated hostile to Allied purposes. The latter were deemed to be included in the class of persons whose properties were rendered subject to seizure or control by Military Government pursuant to General Order No. 1, issued under Military Government Law No. 52.

The Law for Liberation from National Socialism and Militarism, 3/ enacted by the German Land Governments in the U. S. Zone to replace the 15 August 1945 Directive, has continued German responsibility for denazification in accordance with principles established by Control Council Directive No. 24 (Removal from Office and from Positions of Responsibility of Nazis and of Persons Hostile to Allied Purposes) and is still applicable as Property Control policy.

The consistent policy of Military Government has been to retain properties of a duress nature under control and to safeguard them until such time as the merits of claims for restitution could be evaluated and final disposition determined. The only exception to this policy has been in the application of MGR Title 17-501 4/ which authorize the release of properties of insignificant value, if said properties could be adequately safeguarded by other means, i.e. blocking of transfer of title.

### Promulgation of Military Government Law No. 59 5/

Attempts were made through negotiations on a quadripartite basis to develop a uniform program for the restitution of properties to persons and organizations deprived thereof as a result of National Socialist persecution, or, in lieu of restitution of property in kind, for adequate compensation. This proved impossible because of certain fundamental differences among the occupying powers. For the same reasons a bizonal or trizonal law could not be agreed upon. The decision was therefore reached to proceed on a unilateral basis. Over a year before the Laenderrat, representing the Laender of the U. S. Zone of Occupation, had been instructed to draft a proposed restitution law. After approximately one year of work on the part of property specialists a draft of a restitution law was submitted by the Laenderrat for Military Government approval. Certain provisions and reservations contained in this draft were deemed objectionable by Military Government and it was finally decided to promulgate a Military Government law covering the subject.

1/ See Annex IV.

2/ See Annex III.

3/ See Annex V.

4/ See Annex VI.

5/ See Annex XII.

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Military Government Law No. 59, enacted on 10 November 1947, follows the Laenderrat draft, with modifications or revisions of those features which had been considered objectionable.

As of the same date, 10 November 1947, the Central Filing Agency provided for in the law was established and commenced operations at Bad Nauheim (Hesse). Subsequently and successively, Bremen, Hesse, Wuerttemberg-Baden and Bavaria passed the necessary implementing legislation establishing restitution agencies in the respective Laender of the U. S. Zone.

Military Government Law No. 59 provides for filing of petitions with the Central Filing Agency for the restitution of identifiable property. The expiration date for such filing is 31 December 1948.

With a view to securing all possible information concerning properties which had been transferred under duress circumstances, the law also provided for the submission of reports by present owners of duress properties, or by persons or financial institutions having any information concerning transfers of property under duress circumstances.

The principle that duress properties should not escheat to the State because of the lack of heirs or successors in interest was also recognized in the law which provided for the establishment and appointment of successor organizations. This was accomplished by Regulation No. 3 under the law passed on 23 June 1948. On the same date the Jewish Restitution Successor Organization, representing all leading Jewish organizations of the world interested in the establishment of an adequate restitution program, was authorized by Military Government to claim all heirless and unclaimed Jewish properties.

### Organization and Administration of Restitution Program under Military Government Law No. 59

The law provides for the establishment of restitution agencies, initially charged with the responsibility of trying to effect amicable settlements of claims between the parties. If such settlements cannot be attained, the claims are then referred to restitution chambers which are part of the German court system. Appeals from the decisions of the restitution chambers may be taken by either party to the Appellate Courts (Oberlandsgerichte), and from the latter to the Board of Review, whose decisions are final.

The Board of Review, composed of Americans assisted by experts on German law, was established pursuant to Regulation No. 4 to Military Government Law No. 59 passed on 2 August 1948. Appointments of the members of the Board of Review were made on 3 November 1948.

There are presently 20 Restitution Agencies, 13 Restitution Courts, and 6 Oberlandsgerichte (Appellate) Courts - exclusive of the Board of Review - in the U. S. Zone.

The Jewish Restitution Successor Organization, established at Nuremberg, with branches located in a number of cities in the different Laender of the U. S. Zone under previous authorization given by Military Government, commenced, in the first week of October 1948, the examination of approximately 80,000 reports affecting properties presumably transferred under duress circumstances. Information secured from these reports has provided a basis for the preparation of petitions. These petitions will be filed with the Central Filing Agency on or before 31 December 1948, the expiration date for the filing of petitions under Military Government Law No. 59, in connection with every Jewish property reportedly transferred between 30 January 1933 and 8 May 1945. The processing of the petitions will, however, be effected after that date, after determination as to whether or not such properties have been claimed by other persons or organizations.

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In the middle of November 1948 authorization was issued for similar examination of the reports on file with the Central Filing Agency by accredited representatives of approximately 14 Military Missions and Consulates of foreign nations.

Difficulties affecting the satisfactory perfection of claims arising from restrictions on remittances or payment of expenses or services of attorneys, the transmittal of information by air mail, and access to information contained in public records of various German governmental agencies or offices have been resolved by appropriate measures and directives issued by Military Government.

A complete reporting system, which will provide information as to the status and progress of every claim, has been devised and will shortly be placed in operation. In addition, required reports, on a current monthly basis, will provide information with respect to the over-all progress of the restitution program.

While there are still some matters which must be provided for through legislative enactment or implementation, these requirements are not necessary for present operation of the law. Appropriate action with respect to such deficiencies as exist in the law are presently under study, and will be accomplished in orderly fashion to facilitate the successful attainment of the objectives of the law.

Numerous requests for extension in the expiration date for the filing of petitions beyond 31 December 1948 have been received by Military Government. Serious consideration has been given to these requests. It has, however, been decided that any extension in the expiration date would be more detrimental to the entire program of restitution than the benefit to the comparatively few claimants would justify.

In reaching this decision, consideration was given to the many efforts of Military Government to secure publicity of the law in all the countries of the world through U. S. Consulates and Missions, and military and diplomatic missions accredited to Germany.

Other considerations were the following:

- a. Claimants have had 13 months in which to file;
- b. Titles to properties which may be claimed for restitution have been in a state of uncertainty for 3 1/2 years and will remain so until the final deadline for filing claims;
- c. Modifications of the law with respect to time for filing may lead to requests from various sources to make other changes in the law;
- d. It is desired that all possible burdens and uncertainties imposed by Military Government on the German people and economy be terminated before the Occupation Statute becomes effective.

Most of the requests for an extension in the expiration date have been based upon the argument that information considered essential to a claim was not available or accessible. This argument is not considered to be very strong, and Military Government has, on this point, consistently advised claimants that the provisions of the law are adequate, since minimum information only need be filed initially. A petition containing a description of the confiscated property and stating as exactly as possible, under the circumstances, the time, place and circumstances of the confiscation, and, so far as is known to the claimant, the names and addresses of all persons having, or claiming to have, an interest in

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the property, if filed with the Central Filing Agency before 31 December 1948, would be sufficient to bring their claim within the statute of limitations. Any further information that might be required for settlement or adjudication of the claim could be submitted thereafter to the Restitution Agencies or Restitution Courts, as required.

For all of the foregoing reasons, Military Government has not granted requests for modification of the law so as to extend the expiration date for the filing of claims.

### Modification of Property Control Policy Subsequent to Military Government Law No. 59

Subsequent to the enactment of Military Government Law No. 59 (10 November 1947), and after passage of a period of time considered sufficient for the dissemination of knowledge of its provisions, a further modification in policy was deemed advisable. By a Directive, issued 15 July 1948, Property Control action was directed thereafter only in those cases where notice of the filing of petitions under Military Government Law No. 59 with the Central Filing Agency was received. A further Directive, issued 3 August 1948, however, authorized exercise of Property Control action, notwithstanding the fact that no petition had been filed with the Central Filing Agency under Military Government Law No. 59, if it appeared that irreparable damage might be done to a claimant's interests unless the property were taken into control.

Pending final disposition of claims or petitions under Military Government Law No. 59, it is intended to administer properties under control as efficiently as possible and, insofar as the respective parties are concerned, in an impartial manner.

After 31 December 1948, the petitions filed under Military Government Law No. 59 will be checked against properties under control. Those found not to have been claimed, or subject to claims by any of the successor organizations, will be released from control.

### Present Status of Restitution Program

Duress properties under control as of 30 November 1948 numbered 31,426.

### Petitions Received by the Central Filing Agency as of 30 November 1948

<u>TOTAL</u>	<u>115,955</u>
Complete from claimants	11,187
Incomplete from claimants	4,768
Petitions from Jewish Restitution Successor Organization (JRSO)	70,000
Additional, expected from JRSO	30,000

### Reports Received at Central Filing Agency as of 30 November 1948

<u>TOTAL</u>	<u>87,594</u>
Complete reports from individuals	63,271
Incomplete reports from individuals	7,823
Reports from banks	15,000
Reports from agencies	1,500

### Restitution in Berlin and British and French Zones

Military Government Law No. 59 is, at present, not applicable to the U. S. Sector of Berlin.

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Although considerable time and effort has been devoted to the matter of establishment and coordination of policy with respect to claims for restitution of identifiable property in Berlin between the various occupation powers, no final agreement has yet been reached.

A filing of restitution claims in the British Zone is presently covered by General Order No. 10, which provides that claimants have until 31 December 1949 to file restitution claims. British officials request that all claims be filed directly with Das Zentralamt fuer Vermoegensverwaltung, British Zone, Bad Nenndorf, Land Niedersachsen. No law has, however, yet been promulgated.

Only claims in excess of Mk. 1,000 will be considered under General Order No. 10. All persons who have any knowledge of property changing title under duress in excess of Mk. 1,000 since 30 January 1933 were required to make declaration to the administrative head (Landrat) of the rural district (Landkreis) or to the chief mayor (Oberbuergermeister) of the municipality (Stadtkreis) in which he or she resided.

In the French Zone, all claims for restitution have to be filed within 18 months of date of enactment of Ordinance No. 120, which became effective 10 November 1947. The French have established special courts in each Land to try restitution cases. These courts consist of a presiding judge and two other members, and the courts have exclusive jurisdiction over all restitution cases. Claims for real property must be filed with the court in the district in which the property is located. Claims for restitution of personal property must be filed with the court in the district where the person has his regular place of residence.

Conferences are still continuing with both British and French authorities for enactment of legislation providing for restitution claims for the Western Sectors of Berlin, and for harmonization and coordination of policies in the three zones.

### Status of Restitution under a General Claims Law

In the U. S. Zone, the Laenderrat, pursuant to request of Military Government, has prepared and submitted a General Claims Law, which is to go into effect on 1 January 1949, if approved by Military Government. In view of the impending constitution for the Western Zones of Germany and the Occupation Statute which are presently under consideration, no statement can presently be made as to the ultimate outcome of said General Claims Law, whether it will be left to the respective Laender to pass the law as German legislation.

To date no comparable action has been taken in the British Zone. In the French Zone, the redress of wrongs resulting in damages or personal injuries, not connected with claims for the restitution of identifiable property, has been charged as a German responsibility under Ordinance No. 164.

### MISCELLANEOUS

#### Disposition of Captured Enemy Material and Funds Derived from the Sale thereof

Since the inception of the Property Control Program, considerable quantities of captured enemy material and funds derived from the sale thereof had been held in Property Control custody. No action could be taken to correct this situation until a statement of policy was received from the Department of the Army as to what items are to be considered as captured enemy material.

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Authority	<u>UND 715057</u>
By	<u>TJ</u> NAFA Date <u>7/16/99</u>

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ok File 44

OFFICE OF THE UNITED STATES HIGH COMMISSIONER FOR GERMANY  
Office of Economic Affairs  
Property Division  
Internal Restitution Supervision Branch  
APO 807  
Bad Nauheim, Germany

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Miss Klink  
File Law 59  
Expediting Program

Conference Held at Bad Nauheim on December 14, 1949

Present:

Mr. F.J. Miller	Chief, Property Division
Mr. W.G. Daniels	Deputy Chief, Property Division
Mr. W.M. Loewenthal	Chief, Internal Restitution Supervision Branch
Mr. S. Laks	Deputy Chief, Internal Restitution Supervision Branch
Mr. L.E. Yager	Land Supervisor, Internal Restitution Supervision Branch, for Wuerttemberg-Baden and Land Hesse
Mr. G.E. Dickerson	Land Supervisor, Internal Restitution Supervision Branch, for Bavaria
Mr. J.P. McNulty	Chief, Property Branch, HICOG; Berlin Element
Herr Schweig	Treuhaender der Amerikanischen, Britischen und Franzoesischen Militaerregierungen fuer zwangsuebertragene Vermoegen, Berlin
Dr. Endres	Head of the Bavarian Land Central Office for Restitution
Herr Nippa	Statistician of the Bavarian Land Central Office for Restitution
Dr. Weissstein	Deputy Land Civilian Agency Head for Hesse
Herr Schroeder	Statistician of the Hessian Land Central Office for Restitution
Dr. Mayer	Referent of Department VI of the Ministry of Justice for Wuerttemberg-Baden
Herr Zeller	Statistician of Department VI of the Ministry of Justice for Wuerttemberg-Baden
Dr. Mueller	Head of the Bremen Land Central Office for Restitution
Herr Schmeisser	Assistant to above
Herr Leber	Legal Consultant, Property Division
Herr Bossert	Consultant of Land Supervisor for Bavaria
Herr Schlenker	Consultant of Land Supervisor for Wuerttemberg-Baden
Herr Dehn	Manager of the Central Filing Agency
Herr Zimmermann	Deputy Manager of the Central Filing Agency
Herr Schaller	Head of the Accounting Section of the Internal Restitution Supervision Branch
Miss Rodewald	Secretary to Chief, Internal Restitution Supervision Branch
Miss Kratzsch	Secretary to Deputy Chief, Internal Restitution Supervision Branch

MINUTES

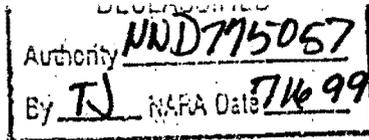
Mr. Loewenthal opened the conference with the remark that it was the first of its kind after the Occupation Statute had come into effect. He thanked the participants for coming and expressed the hope that the cooperation between his Office and the German authorities represented by the attending gentlemen would continue to be a successful one. He asked the participants for their continued support and stated that he hoped that in the future the German authorities could be given more and more responsibility for the supervision of the Restitution Program in the US Zone.

Mr. Miller then addressed the conference. He said that he fully appreciated the work that had been done until now but that a very large task had still to be accomplished, which was clearly shown by the charts displayed in the conference room. He emphasized that the responsible US authorities attach great importance to the expeditious completion of the Restitution Program and that it is the firm resolution of the American Occupation Authorities to see the Restitution Program carried out without changes in the principles laid down in MG Law No. 59. He considered it essential that this be expressed at this conference, the participants of which are directly concerned with the execution of the Restitution Law. In this connection Mr. Miller referred to certain publications in the press with regard to eventual changes in the Restitution Law for the American Zone. He wished to have it known that the Office of the High Commissioner is not considering any changes in the substantive provisions of MG Law No. 59 and that it is more than ever determined to see the Program through. This does not mean that there would not be any changes at all in Law 59 - in this connection Mr. Miller referred to the Board of Review and eventual changes in the court system - he would, however, like to stress again that with regard to the substantive provisions no changes are to be expected.

Mr. Miller further talked about the progress made so far in the execution of the Restitution Program. He said that he was aware of the difficulties which the individual Laender had to face financially, however the present rate of progress will have to be increased since it would otherwise take years to complete the Restitution Program. He mentioned that the Restitution Program was not a popular one and that, as time goes by, it would become even less popular. This meant that a program the completion of which would normally take four to five years, would have to be completed in one year or a little more than one year. How this was to be accomplished, he would not tell; he therefore asked the competent German authorities, which were familiar with the particular procedures in the various Laender, for their advice.

Mr. Loewenthal then stated as follows: Before the Heads of the Land Central Offices begin with their reports, he wished to stress the importance which his office and thus the Property Division attach to their statements. Information is to be gained of the plans existing in the individual Laender for the acceleration of the Restitution Program, taking into consideration the difficulties in carrying out such plans and the necessity of an eventual intervention on the part of the High Commissioner. It is again emphasized that the Restitution Program as far as the restitution agencies are concerned is to be completed, if possible, until the end of 1950 or, at the latest, during the year 1951. With regard to the chambers it seems to be premature to set a definite date; however, it could be said already now that the date for the completion of the Program by the chambers should be in proper relation to the disposition of cases by restitution agencies.

Mr. Loewenthal then presented some statistical data: Up to the end of November 1949, a total number of 55,208 cases had been received by restitution agencies. Of this number 6,625 cases or 12% of the total number of individual claims received had been finally disposed of in the eighteen months during which restitution authorities could be considered in full operation. The Internal Restitution Supervision Branch (hereinafter referred to as "IRSB") expects a total workload for restitution authorities in the US Zone of 110,000 cases, consisting of approximately



55,000 individual cases and 55,000 JRSO cases. Of these 110,000 cases, according to the rate at which individual petitions had been distributed among the Laender, 40,000 cases would have to be handled by restitution authorities in Bavaria, 41,000 by Hesse, 26,000 by Wuerttemberg-Baden, and 3,000 by Bremen. The number of cases disposed of by restitution agencies during the month of November was 1,306. IRSB expects that even without increases in personnel or increases in the number of restitution agencies, their dispositions would increase by 75%, because of basic decisions, the promulgation of the General Claims Law, and the increasing familiarity of key personnel with restitution matters. Increasing 1,306 cases (the highest number of cases disposed of by restitution agencies in any one month) by 75%, a monthly disposition of 2,285 cases is arrived at. Accordingly, approximately four years would be required by restitution agencies for the disposition of the total workload of 110,000 cases.

The same picture is obtained in estimates for the Laender Bavaria, Hesse, and Wuerttemberg-Baden, while the time required in Bremen is 2 3/4 years. Notwithstanding the 75% "automatic" increase of the present rate of disposition, which in his opinion constitutes a considerable allowance, restitution agencies would have to be doubled in order to complete the restitution program within the next two years.

To-date, 38.8% of the total number of cases disposed of by restitution agencies had been forwarded to restitution chambers. It may be assumed that this rate will decrease as the Program progresses by approximately 25%, as a result of more basic decisions becoming available, so that in the future only approximately 23% of the total number of cases disposed of by restitution agencies would be forwarded to chambers. Of a total number of 110,000 cases to be handled by restitution agencies, approximately 25,400 cases would thus be forwarded to restitution chambers. The total number of cases adjudicated by restitution chambers in November amounted to 141. It may be assumed that, with basic decisions becoming known, with judges becoming more and more familiar with restitution matters and being assigned restitution cases only, this number will increase by 75%. With a total workload of 25,400 cases the chambers would thus need approximately 8 years and 7 months for the adjudication of restitution cases before them.

On the basis of these estimates it appears that the capacity of restitution chambers will have to be tripled or quadrupled in order to complete their work within a time considered reasonable in the sense of the Law.

Mr. Loewenthal then asked Dr. Endres to give his report for Land Bavaria, pointing out that the reports of the Heads of Land Central Offices would be used as a basis for a report to the Property Division, which most likely would utilize the report in statements to higher authorities.

In his initial remarks Dr. Endres thanked the US authorities, also on behalf of his colleagues, for this opportunity of a mutual exchange of ideas. He referred to the meeting which was held recently by German authorities concerning restitution activities and emphasized the importance of such discussions. He recommended that the American authorities from time to time re-instate their views, e.g. the Minister Presidents should be impressed with the urgency of a speedy execution of the Restitution Program. This is of major importance not only to achieve justice and equity, but also for the sake of the German economy. Regarding past activities of restitution authorities he pointed out that restitution was an entirely new field, but that the early difficulties had now been overcome. In November the number of cases settled had increased and in his opinion monthly dispositions will continue to increase considerably. However, the time required for the completion of the Restitution Program could not be determined until the middle of 1950. In this connection Dr. Endres stated that the restitution agencies greatly depend on higher courts, including the Board of Review, since many decisions involving basic issues can only be made by the higher courts. He further mentioned the difference in the interpretation of the Law existing among the individual Laender involving principal questions and that clear coordination is now being sought in this respect.

He then referred to the discussions held with the Ministry of Finance and the Ministry of Justice after the meeting on November 14, 1949. Regarding an increase of funds the Finance Ministry had declined that. An increase in the fiscal year 1949/1950 is only possible by a decision of the Landtag and such increase would only be considered if requests or suggestions of the American authorities were directed to the Minister Presidents. For the fiscal year 1950/51 (April 1, 1950 to March 31, 1951) it was planned to increase the present budget of 1,2 million DM by 300,000 DM, but the use of these additional funds for the current fiscal year would not be granted. Negotiations are carried on with the Ministry of Justice which has no restitution budget of its own, but which is subsidized extensively with restitution funds allocated to his office. Expenditures for witnesses and expert fees alone amounted to more than 20,000 DM, which had not been provided for originally.

Regarding the difficulties concerning the personnel, in Bavaria these can be found especially at the Chambers which originally had been established as sub-offices whose members had only devoted part of their time to work in the field of restitution in addition to their main duties. But as a result of the discussions on November 14, the Chamber Munich now has two fully employed members instead of one, Fuerth also has two full-time members, and Wuerzburg, which until now was the weakest in personnel, has four full-time members. This change is the result of instructions issued by the Ministry of Justice, on November 18. He considers the steps taken in Bavaria very appropriate, because the full employment of judges is more important than a numerical increase in personnel at the Chambers and Oberlandesgerichte. There was a certain backlog of work at the Chambers Nuernberg, Wuerzburg, and a small backlog in Munich; however the Ministry of Justice was of the opinion that with the exclusive assignment of judges to restitution, the Chambers will be able to dispose of all cases on a current basis.

Taking December 31, 1951 as the date for the completion of the restitution program by the Restitution Agencies, an increase in personnel would be necessary only in the big agencies, i.e. Munich, Nuernberg-Fuerth, and Wuerzburg, that is by increasing the number of officials with legal background by one third.

Another difficulty in connection with the increase in personnel would be the acquisition of additional office space. That would be extremely difficult, if not almost impossible, in Nuernberg-Fuerth and, to a lesser degree, in Wuerzburg too, whereas in Munich there is no such problem. Quite often two or three officials had to use one room together. The results of this condition were very unfavorable.

Dr. Endres said that he hoped to be able to start soon with preparations for the necessary increase in personnel and the enlargement of office space. Answering Mr. Loewenthal's question whether he thinks that any action by American authorities would be necessary, Dr. Endres replied that he did not think this necessary, nevertheless, it would be of value if a notice was sent to the Land Central Offices informing them that the date for the completion of the Restitution Program by restitution agencies was set for 31 December 1951. This information would be used as reference regarding any requests they may make. Mr. Loewenthal asked Dr. Endres to keep him informed through Mr. Dickerson regarding further developments.

In conclusion Dr. Endres referred to the letter of IRSB dated November 8, in which the date for the ~~final~~ disposition of all restitution cases at the restitution agencies was given as December 31, 1950. Thereupon Mr. Loewenthal declared that this was done only to bring forth a sound reaction of the respective authorities.

Asked for his opinion about special measures for the handling of JRSO petitions, Dr. Endres replied that in all agencies in Bavaria one official was especially entrusted with work on JRSO petitions.

Dr. Weissstein began his statement with the remark that both the American and German authorities agreed that everything had to be done to execute the program as laid down in Arts. 1 and 49 of the Law. The speedy completion of restitution was necessary for economic reasons as well as for reasons of political satisfaction and justice. The question now is: What ways and means are to be adopted?

He said that regarding the basic issues he fully agreed with Dr. Endres' statements.

In his report on Hesse Dr. Weissstein first talked about the chambers which regard to which the picture appeared very favorable. There exist in Frankfurt 3 chambers, in Kassel 2, and in Giessen 1, or 6 altogether. All members of these chambers were exclusively working on restitution cases. During the discussion in October between the Legal Division and the Ministry of Justice it had furthermore been resolved that the number of chambers would be increased as soon as this would become necessary. Two more chambers were intended for Frankfurt which, as had been suggested, might not be established in the city of Frankfurt itself, but in Darmstadt and Wiesbaden. In Giessen, where there was at present only one chamber, a second chamber was to be added. It had been suggested that this second chamber have its seat in Marburg. However, this would not be advisable should the Restitution Agency Marburg be dissolved. The Ministry of Justice kept a watchful eye on the development, and the Land Central Office was in steady contact with the Ministry of Justice. Certain difficulties existed with regard to the personnel. It would be ideal and desirable to have presiding and associate judges who are not affected by the Law for Liberation. However, no great number of such judges was available so that in some cases it might not be possible to fully comply with that principle. He had, however, no objections to having an exonerated judge in one or the other chamber. With regard to the restitution agencies the picture was not so favorable. An exception is the Restitution Agency with General Jurisdiction, Wiesbaden, which had been established in accordance with Regulation No. 6 under the Law No. 59. At present approximately 3,500 cases were before that agency, and altogether it would probably have to dispose of 3,600 to 3,700 petitions. The bulk of those cases (98-99%) fell, however, not under the Restitution Law since they were claims to property in Poland, Silesia, etc. In such cases the agency informed the claimants that their petition for one or another reason did not fall under the Restitution Law and that they would have to assert their rights otherwise. 50% of those cases were withdrawn, while the other 50% were dismissed. The Head of the Agency with Special Jurisdiction believed that by 1 February or 1 March 1950 he would have disposed of all cases.

Dr. Weissstein then stated that with regard to the ten restitution agencies in Hesse everything had been done on his part in order to increase their efficiency. This was evident also from the following statistics which had already been included in his letter to IR&B dated October 19, 1949. According to those figures, 250-300 cases had been disposed of monthly by all agencies between May and August; in September this number had increased to 500, in October to 600, in November to more than 700, and he assumed that for December, in spite of the Christmas holidays, it would increase to 800-900. Hesse had received more than 22,000 individual claims, of which 4,200 or approximately 20% had been disposed of to date. With a monthly disposition of approximately 750 claims, that is 9000 in a year, it would take two years to dispose of the remaining 18,000 claims.

With regard to JRSO claims the picture was not quite so clear. For Hesse, 66,000 were registered. Should of this number actually only 19,000 cases remain, then he had no doubts at all that those could easily be disposed of within two years since JRSO cases could be disposed of much faster than individual cases for the following three reasons: First, restitution agencies do not have to collect all the pertinent material; second, JRSO attempts itself, and quite often successfully, to bring about amicable settlements, which need only to be recorded by the restitution agencies; third, the difficulty of submitting proof of heirship does not exist in cases of JRSO petitions. He believed, however, that the number of 19,000 JRSO petitions mentioned by Mr. Loewenthal was too optimistic. He could not believe that the 66,000 JRSO cases would shrink to 19,000.

Mr. Loewenthal replied that those figures originated with JRSO. JRSO anticipated that of the 160,000 petitions filed by it, only 55,000 would have to be forwarded to restitution agencies. The number of 18,000 JRSO petitions for Hesse had then been obtained on the basis of the rate of distribution of individual petitions to the various Laender.

At this point, however, Dr. Weissstein came to the big "but", namely that he had been informed by the Finance Ministry that 55 or 15% of the total of 377 positions assigned to the Land Central Office and its subordinate offices would have to be abolished as of April 1, 1950. While the reduction itself was quite detrimental, the fact that especially the well-paid positions, i.e. those of the Rueckerstattungsraete, were to be abolished was of the utmost importance. Should those 55 positions be abolished as of April 1, 1950, he considered it impossible to complete the program within two years. Further attempts on his part would be of no avail, the only remaining possibility being an intervention on the part of the Office of the High Commissioner. It must be insisted that the 55 positions be retained also for the next fiscal year.

Dr. Weissstein then called the attention of the meeting to the increasing number of indications of delays in restitution proceedings, e.g. many restitutors believe that their position might improve as time goes by. He mentioned in this connection the "Interessengemeinschaft der Rueckerstattungspflichtigen" (Association of Restitutors) which had been founded at Fuerth. Although its program sounded quite harmless, its activities would have to be watched. A few days ago, it had been stated in the "Frankfurter Rundschau" that an organization existed in the French Zone which would also like to put its hatchet to the roots of the restitution laws. The Federal Government was supposed to go to work and revise all restitution laws in the various zones. The willingness of the restitutors to conclude amicable settlements was already now adversely affected. They sensed their opportunity. A clarifying declaration of the High Commissioner was, therefore, absolutely necessary.

Dr. Weissstein finally talked about the agencies Eschwege, Fritzlar, and Marburg, the dissolution of which was requested by the "Rechnungshof" (Fiscal Office) as of April 1, 1950. With regard to Eschwege, the smallest agency, this would perhaps be possible. It had only 500 individual claims, of which 250 had already been disposed. The dissolution of the agencies Fritzlar and Marburg was impossible. There would be a considerable remainder which would have to be assigned to other agencies. It had been requested that the employees of the three agencies be given notice already, a fact which naturally would adversely affect their efficiency. Also here action by the High Commissioner was absolutely necessary in order to prevent the dissolution of the three agencies by April 1, 1950, but to keep them until April 1, 1951.

In reply to Mr. Loewenthal's question whether a letter addressed by the Property Division to the Land Central Office would not suffice to remove the difficulties, Dr. Weissstein said that he believed that this case calls for heavy artillery.

Mr. Loewenthal mentioned in this connection that the reports of the Heads of Land Central Offices on the decreasing willingness of restitutors to conclude amicable settlements as well as the material regarding the "Interessengemeinschaft der Rueckerstattungspflichtigen" had been forwarded to higher authorities and that a decision would be made at that level what means were to be used to counteract these conditions.

To Mr. Laks' remark that in Dr. Weissstein's estimates JRSO cases had not been sufficiently considered and that a certain increase in the estimates of the workload of the agencies should be made to include JRSO cases, Dr. Weissstein replied that, in his opinion, this was not necessary since in due time a number of property control employees would be made available to work on JRSO cases.

Referring to the present figures available for Hesse, Mr. Miller stated that he felt that Dr. Weissstein's estimate was too optimistic.

Dr. Mayer stated that he was able to give a considerably more favorable picture for Wuerttemberg-Baden as compared to Dr. Weissstein's report for Land Hesse. The authorities in Wuerttemberg-Baden were of course also interested in the most expeditious execution of the Restitution Program and they would do everything to complete it in time, i.e. until the 31st of December 1951. In fact he could promise its completion by that date.

Conditions in Wuerttemberg-Baden were different from those in the other Laender insofar as restitution agencies were headed exclusively by judges, the so-called arbiters. This system had worked out very well; the arbiters had brought about an extraordinarily high number of amicable settlements. Of the 243 cases disposed of by arbiters during the month of October, 150 or 62% had been amicably settled. The chambers had adjudicated in October 18 cases, thereof 11 cases or 61% by amicable settlements. It followed that of all cases disposed of by arbiters and chambers during October 85% had been amicably settled. During the month of November, the arbiters had settled amicably 178 cases or 56% of a total of 319 dispositions. During the same period the chambers had settled amicably 10 cases or 36% of the total number of 28 adjudications. For the entire period, i.e. from November 10, 1947 to November 25, 1949, the picture was as follows: Total number of cases disposed of by the arbiters: 1,848; thereof 1,144 cases or 62% by amicable settlements. Total number of cases adjudicated by the chambers: 168; thereof 84 cases or 50% by amicable settlement. Thus of the total number of cases disposed of by arbiters and chambers 81% had been amicably settled.

On the basis of the above figures responsible authorities in Wuerttemberg-Baden believe that the main burden of restitution activities rests with the arbiters. The question of increasing the number of arbiters had been discussed, and substantially the following may be said on the subject: Prior to this meeting he has had a discussion with the senior and most experienced arbiter, Oberlandesgerichtsrat Dr. Koehler in Stuttgart. Postponements were not as much due to the question of personnel, but could often be attributed to developments of individual restitution cases. Not only restitutors but also restitutees attempt to postpone the settlement of cases. In the latter instance postponements are often due to the fact that monetary transfers are not possible. With respect to restitutors, the reasons for retarding settlements of cases are not as much their hope for changes in the provisions of the Law but rather their expectations for more favorable legal interpretations of the Law. In this connection the conversion rate of the original purchase prices at 10:1 was not acceptable to the majority of restitutors who hope for a change of the conversion rate to 5:1, a rate which is applied in connection with the General Claims Law. Arbiters had been successfully concluding amicable settlements by using the latter rate. It may therefore be concluded that a doubling of the personnel does not necessarily mean that only half of the time will be required for completion of the program.

The chambers in Wuerttemberg-Baden may be considered current as far as their work under the Law is concerned. There are at present on hand at the chambers 46 cases not ready for adjudication. Those which are available for adjudication are being disposed of without delay.

Considerable difficulties are experienced with respect to the housing question. Housing conditions in Stuttgart, Karlsruhe and Mannheim were extremely bad. In Ulm, the rebuilding of two rooms was absolutely necessary. The arbiters in the Stuttgart Agency shared their room with two administrative employees. Despite a considerable number of visitors frequenting that office, hearings must be held in the same rooms. These conditions cannot be changed even if necessary funds were available. In the same building, for example, two public prosecutors had only one room although each of them must hold individual hearings. It certainly is surprising that any progress at all was made under these circumstances. Housing conditions for the other members of the court are even worse than those for the arbiters.

Dr. Endres mentioned that procedures may be expedited by clarification of basic issues. In this connection reference was made to the meeting in Stuttgart, at which in addition to representatives of the American Zone the representatives for Northrhine-Westphalia and for the French Zone took part, and where it was decided that decisions and opinions of the respective Ministries of Justice, which until now were published by the individual Laender, will now be published for the entire US Zone by the weekly publication "Neue Juristische Wochenschrift".

In reply to certain inquiries made by IRSB Dr. Mayer then read a statement the contents of which had partly been referred to in his previous discussions.

With respect to personnel questions he stated that as of April 1, 1950, four assessors will be assigned to the chambers. As of the date of his report there were 5 arbiters in Stuttgart, 2 arbiters each in Karlsruhe and Ulm, and 3 in Mannheim; a fourth arbiter is at present being trained for Mannheim. The hiring of one additional arbiter for Mannheim and one for Karlsruhe is under consideration. In November, a second arbiter has been employed for Karlsruhe.

Mr. Loewenthal's question whether he believed that the program could be completed by 31 December 1951 with the aforementioned personnel was answered by Dr. Mayer with "yes".

With regard to the data on JRSO claims, as furnished in his written submission, Dr. Mayer explained that the rate of 10% for claims to be forwarded to arbiters from those at present held in suspense, had been obtained from Dr. Schoenfeld, the JRSO representative for Wuerttemberg-Baden. Included therein were 3,000 claims against pawn-shops, which in Dr. Schoenfeld's opinion and also in his own opinion should be disposed of in bulk. Mr. Loewenthal mentioned that he understood that one such case was at present pending before the Board of Review for decision.

In his estimates of the time required by arbiters for the disposition of all cases before them, Dr. Mayer had assumed that the dispositions would increase by 25% in comparison to the month of November. On the basis of a 75% increase, as suggested by IRSB, the times required by the individual agencies would be as follows:

Stuttgart	35 months	Karlsruhe	45 months
Ulm	15 months	Mannheim	60 months.

Dr. Mayer then promised again that the arbiters would complete their task until December 31, 1951.

Dr. Mueller began with some statements of a more general nature in which he discussed the difficulties connected with the execution of Law 59. He then talked about restitution activities in Land Bremen. He stated that, compared to the other Laender, restitution activities in Bremen showed more progress. This was due primarily to the smallness of the Land as a result of which certain organizational problems did not exist. He nevertheless felt sceptical about the date of December 31, 1951. Even while doubling the personnel one must consider the comparatively long time necessary to get acquainted with this difficult matter. He agreed with the statements of the gentlemen who had spoken before him, that a letter from the Office of the High Commissioner to the Minister Presidents of the Laender in which it is emphasized that for political as well as for economic reasons it was necessary to expeditiously complete the Restitution Program would be advisable. He finally remarked that with certain reservations he believed to be able to comply with the date of December 31, 1951. He counted on the employment of two additional persons and did not anticipate any financial difficulties in that respect.

After lunch, Mr. Loewenthal gave the following brief analysis of restitution progress by comparing the number of cases disposed of in the various Laender during the month of November with the number of monthly dispositions required in the future if the program is to be completed by December 31, 1951, as had been promised by the Heads of Land Central Offices:

Bavaria: disposed of in November: 456 cases  
required monthly dispositions: 1,750 cases (JRSO included)

Hesse: disposed of in November: 479 cases  
required monthly dispositions: 1,800 cases (JRSO included)

Wuerttemberg-Baden: disposed of in November: 319 cases  
required monthly dispositions: 1,250 cases (JRSO included)

Bremen: disposed of in November: 52 cases  
required monthly dispositions: 125 (JRSO included)

Mr. Loewenthal then mentioned the discussions held between the Property Division and JRSO which resulted in the understanding that it would be desirable that JRSO petitions be handled separately in order to expedite their disposition. The decision, however, as to the application of such measures rested with the restitution authorities. The same applied to a special procedure for the recording of amicable settlements brought about by JRSO.

Dr. Endres mentioned that in Bavaria JRSO had already prepared hundreds of amicable settlements; on the whole JRSO accomplished a considerable amount of preparatory work. They distinguished three groups. Cases in group I are those which need only to be recorded, JRSO having already concluded amicable settlements. Group II consists of cases requiring minor adjusting before amicable settlements could be reached and recorded. Cases in group III will not be handled until April 1, 1950. There are within the latter group cases which will probably require more work than those in groups I and II. Eventually group III will again be divided into three groups.

Mr. Loewenthal said that his office had received from JRSO a copy of the Bavarian instructions on the separate handling of JRSO petitions with the remark that this practice fully complied with the wishes of JRSO. For that reason he would like to ask Dr. Endres to send a copy of these instructions to the other Laender.

Dr. Weissstein mentioned that in discussions with Dr. Kahn, Head of the JRSO office in Hesse, the following procedure had been agreed upon in order to ensure the expeditious handling of JRSO petitions:

1. The agencies inform the restitutor by a form letter stating that a petition had been received from JRSO involving his property and that JRSO will approach him for the purpose of reaching an amicable settlement. The letter also indicates that formal service will be made only after the attempt by JRSO to reach an amicable settlement had proven negative.

Dr. Weissstein explained that the letter was written primarily for psychological reasons in order to induce an increased willingness on the part of the restitutor to conclude amicable settlements.

2. Should the negotiations of JRSO be successful, provisions have been made for the prompt recording of such amicable settlements. At his suggestion all of the ten agencies had agreed to introduce so-called court-days once or twice a month during which JRSO can meet with the restitutors. Furthermore, JRSO cases are recorded in a separate register of amicable settlements.

Dr. Weissstein anticipated a very considerable increase in dispositions as a result of this system. JRSO has already submitted about 30 amicable settlements.

Dr. Endres stated that in Bavaria 88 amicable settlements had already been reached by JRSO.

Dr. Mayer stated that he considered the assignment of special arbiters for JRSO cases only advisable in the big agencies (Stuttgart and Mannheim). For Ulm and Karlsruhe it was not recommendable since there an arbiter would not be fully occupied with JRSO cases. In Stuttgart JRSO cases would be handled by Oberlandesgerichtsrat Dr. Koehler. To-day the first JRSO amicable settlements would be recorded. Nothing definite can be said as yet with regard to further developments.

Mr. Loewenthal warned in this connection that the Agency in Karlsruhe, weak as it is, might weaken even more unless it handled JRSO cases separately.

Dr. Mueller stated that JRSO paid little attention to Bremen and that up to date only two discussions had taken place with JRSO. Bremen is being attended to by the JRSO office in Kassel. JRSO intended to contact restitutors in Bremen in a manner similar to that in Hesse. Amicable settlements would be recorded by the agency, for which special days had been provided. Dr. Mueller said that he had asked Dr. Loebenstein, JRSO representative in Kassel, to appoint a representative for Bremen. This had been done, and Mr. Vollmann was in steady contact with them. Of the 2,000 JRSO cases probably 500 would remain, which could be easily disposed of. If possible, he would like to have one man work on JRSO petitions. This would be a good argument in asking the Finance Ministry for an increase in personnel.

Mr. Schweig then reported on restitution in Berlin. He remarked that the legal basis in Berlin was not Law No. 59, but the Berlin Kommandatura Order (49) 180 of 26 July 1949. This Kommandatura Order was based substantially on the Restitution Law in the British Zone. Prior to the Kommandatura Order an instruction as to the filing of claims had been issued which was more or less the same as General Order No. 10 of the British Zone. The first claims had been received at the end of March 1949. The Kommandatura Order of 26 July had led to the establishment of restitution authorities. With the well-known Berlin efficiency this had been accomplished in a short time. Already after three months, on 11 November, they had been in operation. The organization

of the Berlin restitution authorities was similar to that of restitution authorities in the British Zone. There were first of all the agencies. In Berlin one agency had been established with five departments, two departments for the US Sector, two for the British Sector, and one for the French Sector. The agencies are staffed with three legal experts each. For the time being two chambers were contemplated. The chambers formed part of the Landgericht of the Western Sectors of Berlin. Appeals from the chambers may be taken to a senate of the Kammergericht and, as far as the US Sector was concerned, to the Board of Review. Unlike its status in the US Zone, JRSO was recognized in Berlin only as trustee, that meant that for the time being it was only entitled to file claims leaving the question of ownership undecided. For the present JRSO was authorized only in the US Sector, the authorization for the British and the French sectors had not as yet been granted. The procedure of forwarding claims to the agencies was different from that in the US Zone. Because claims were frequently inadequate in form and contents, they were not forwarded to the agencies in their original form. All claims were preliminarily screened and substantiated and then transcribed to the proper form. Furthermore only so many claims were forwarded to agencies as could be handled by them during a certain period. At present 200 claims were forwarded to restitution agencies per week. The total number of claims forwarded to date was 2,000. Of those approximately 1,000 would be disposed of by the end of December, a number thereof by amicable settlements. By the end of the current month 900 decisions granting petitions were anticipated. This was due to the fact that they had first forwarded a great number of cases where confiscation by the Reich without indemnification was involved. To date they had received approximately 20,000 claims. Beginning with 1 January, 2,000 claims would be forwarded to restitution agencies per month. No agreement existed as yet as to the functions of restitution agencies in Berlin. There were doubts whether the actual work should not be transferred to the chambers, so that the agencies would actually function as recording offices only.

Referring to Mr. Schweig's discussion of the handling of cases in Berlin, Dr. Mueller asked whether the US authorities wanted the restitution authorities to concentrate their efforts first on the disposition of JRSO petitions.

Mr. Loewenthal replied that the agencies should equally concentrate on JRSO and individual petitions.

Regarding the subject "Changes in the Reporting System", Mr. Loewenthal first asked whether the new form MG/PD/11b/F was clear to the participants and whether they approved of it. The question was answered in the affirmative, and no explanations of the new form were requested.

Mr. Loewenthal then referred to the report forms placed before the members of the meeting and stated as follows with regard to their meaning: It is the intention of the Property Division to introduce statistics and reports with regard to the type and the value of properties restituted as well as the nationality of the restitutees. The importance of this is clear; the public wants to be informed of the practical results of the Restitution Program. In the opinion of his office, the forms presented here are best suited for the purpose of compiling such statistics. He could, however, prefer it if the German authorities, who will have to compile those reports, would state their opinion and propose a form which would best suit the purpose.

During the ensuing discussion certain difficulties in the compilation of these new reports were pointed out, e.g. what values are to be given, whether it was possible to determine the nationality of the restitutees or whether their residence should be reported, the number of items to be listed in the Final Report submitted by the agencies and the courts, and the question of including the cases disposed of prior to the introduction of the new reports.

Considering the additional work which the new reports system would create for the restitution authorities, Mr. Loewenthal mentioned that a considerable reduction in their work would result from the elimination of the action reports under the Key Card with respect to JRSO petitions. In a discussion with JRSO it was decided to limit the action reports on JRSO petitions to item 15 of the Key Card, "Number of Cases", in addition to the Final Report which is under consideration now. The adding of Final Reports to the copies of JRSO petitions which are kept at the Central Filing Agency is deemed sufficient to control the disposition of JRSO petitions. In view, however, of the difficulties mentioned previously, Mr. Loewenthal suggested that the Heads of Land Central Offices jointly submit a proposal for the new reports. This suggestion was accepted by all. Mr. Miller again emphasized that the main purpose of these reports is to eventually give both the American and the German public information of the final results of restitution. It should not be forgotten, however, that the principal aim of Law 59 is restitution and not reporting.

Dr. Weissstein stated that the restitution agencies would be greatly relieved in their work if items 19, 20, 21, 23, 24, 28, and 30 of the Key Card were eliminated. Mr. Loewenthal asked if this was also the opinion of the other gentlemen. Mr. Zimmermann then presented a Key Card on which these items had already been crossed off with a view of eliminating them. Mr. Loewenthal pointed out, however, that it is advisable to wait with the reduction of the Key Card until the Central Filing Agency has completed the setting up of the Action Record Card System, a task in which it is at present engaged. An attempt will, nevertheless, be made to reduce the number of items if possible. Dr. Mayer suggested that the same items be eliminated for the chambers.

Mr. Loewenthal then discussed some important points with regard to the Central Filing Agency. By now all individual petitions had been forwarded by the Central Filing Agency. JRSO had been notified by the Property Division accordingly. JRSO had requested that the Land Central Offices be also informed of that fact so that it would not be necessary any longer for JRSO to submit documentary evidence in the individual cases.

Furthermore the following difficulty existed: In numerous cases restitution agencies had written to claimants in reply to their inquiries that their petitions had not as yet been received. The reason therefor probably was that because of the enormous workload it had not been possible as yet to register all petitions. Mr. Loewenthal requested the speedy registration of the petitions received in order to avoid unnecessary complaints to the Property Division. He requested that appropriate instructions be issued by the Heads of Land Central Offices to restitution agencies and that a copy of such instructions be submitted to his office.

Mr. Loewenthal then turned to the question of the recording of amicable settlements. He pointed out that by all means it must be prevented that amicable settlements are recorded between parties who do not fall under Law 59. Dr. Endres replied that pursuant to the Law the obligation existed to ascertain the truth of the alleged facts ex officio. It had also been repeatedly pointed out to restitution authorities that it was their duty to review the cases. Dr. Endres mentioned that he just had discussed a case with Dr. Weissstein where an attempt had been made to misuse the Law. Mr. Loewenthal said that the Property Division had suggested that, in view of the fact that such cases had occurred in the British Zone, Land Central Offices issue written instructions to the Restitution Agencies warning them about the danger involved. Mr. Leber confirmed that the duty to verify the facts of a case existed ex officio, and that the Laender would be held liable for eventual damages.

Mr. Loewenthal then talked about the Central Collecting Point in Wiesbaden. At present it was in charge of 200,000 art objects which were considered as falling under Law 59 or the restitution laws in the other zones. A way must be found to dispose of these art objects within a reasonable time.

In the case of petitions involving art objects whose location is not given the restitution agencies should inquire with the Central Collecting Point. This would help to dispose of some items. However, it is desired to establish a more general procedure which would expedite the disposition of the art objects. Mr. Miller suggested that Land Central Offices submit to the Central Collecting Point a list of art objects for which claims have been received but whose whereabouts are unknown. It was pointed out, however, that the preparation of such lists would be too time-consuming. Dr. Weissstein stated that in Hesse the matter could only be handled in the manner suggested earlier, namely by inquiring with the Central Collecting Point in each individual case. He mentioned in this connection the regulation providing for the release of art objects by the Central Collecting Point upon the submission of a copy of the restitution authorities' decision granting the petition. As a means of further expediting the handling of cases involving art objects Dr. Weissstein suggested the issuing of a catalogue by the Central Collecting Point. Mr. Miller pointed out that the Central Collecting Point is extremely burdened with work. He nevertheless agreed that the issuing of a catalogue was desirable inasmuch as it might also be used by the British and French restitution authorities.

Mr. Dehn, speaking for the Central Filing Agency, stated that his office was burdened with unnecessary correspondence not only because the restitution agencies often replied to inquirers that they had not received the petitions, but also because restitutees are frequently referred to the Central Filing Agency for information. Mr. Dehn emphasized that it was not the function of the Central Filing Agency to give such information. He then asked that in all correspondence to the Central Filing Agency its file number be clearly indicated. Where a file number was not available he asked that the first name as well as the family name of the restitutee be mentioned since often family names are the same. Also important is the correct spelling of names. Whenever additional information is requested by the restitution authorities it should clearly be indicated that such information is to be submitted directly to the respective restitution authority. In many cases such additional information and answers to inquiries were received by the Central Filing Agency.

With regard to JRSO petitions, the Central Filing Agency had received a list of the claims forwarded to restitution agencies from the Land Central Office in Wiesbaden as well as from the individual agencies. During a telephone conversation with the latter it was learned that they had wanted to notify the Central Filing Agency of their file numbers. The registration as requested by Mr. Loewenthal did not provide for the file number of the Land Central Office. Bavaria furnished only one list indicating the file number of the Land Central Office as well as the file numbers of the restitution agencies. This procedure is, of course, acceptable.

Mr. Zimmermann spoke about the Action Record Card System. He said that the system was new established and that it contained approximately 60,000 cards. In the meantime 150,000 action reports have been received. Experience has shown that some items of the Key Card could be omitted. Difficulties existed with regard to the reporting of breakdowns, item 15, since it often was not evident whether five cases or one main case plus four sub-cases were meant. Dr. Mayer said that if five cases were reported under item 15, this

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would mean in Wuerttemberg-Baden that there were one case and four sub-cases.

Mr. Zimmermann requested that on the action reports under item 15 the names of the restitutees and the restitutors be reported, since 10% of the action reports received contained incorrect file numbers. Another mistake was that the chambers, when reporting receipt of a case under item 35, gave only their docket number from which it was not evident which petition was involved. Dr. Mayer said that in Wuerttemberg-Baden first the file number of the agency was mentioned to which later the docket number of the chamber was added.

Mr. Zimmermann then stated that 4,000 receipts for individual petitions were still outstanding from Bavaria. Mr. Loewenthal suggested that Land Central Offices be notified of the missing numbers.

Mr. Schlenker doubted that 10% of the action reports contained incorrect file numbers. Mr. Zimmermann replied that often the current number was entered instead of the file number. Mr. Loewenthal asked whether the Central Filing Agency should return the incorrect action reports. Mr. Zimmermann stated that so far the Central Filing Agency had returned them only in exceptionally bad cases. He suggested the preparation of lists in cases where it could not be determined to which petitions the action reports related, and to submit those lists to the Land Central Offices. Mr. Leber asked whether actually so much additional work would be involved in indicating the names of the restitutee and the restitutor, as proposed by Mr. Zimmermann. As an interim solution Mr. Loewenthal suggested that the attention of restitution authorities be again called to the fact that the reports to the Central Filing Agency had to be made as correct as possible.

It was agreed upon that the Heads of Land Central Offices would submit their statements in answer to the questions posed by IRSB, as well as copies of the instructions issued by them to restitution authorities as a result of this conference.

In a few closing remarks Mr. Miller expressed his satisfaction with the meeting.

In conclusion Mr. Loewenthal thanked the participants for their excellent cooperation during the meeting. In anticipation of similar future meetings, he stated that suggestions of topics for discussions would always be welcome.